

## “How to Get Out of Debt”

Text: Luke 16:10-12

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Park Boulevard Presbyterian Church ([www.pbpc.org](http://www.pbpc.org))

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Pray!

Let me start off by saying, “God wants you to have financial freedom in 2009.”

- There are over 2300 verses in the Bible having to do with money. God wants you to have financial freedom.

Story of being in debt: 1998 and getting married.

- Calculated our debt
- Made a plan to be out of debt in five months
- Tithed (brought first 10% of our gross to the Lord from every pay check)
- By the time we started our first call, six months later, we were out of debt and experiencing financial freedom.

### The Bible and Debt

**I. The major cause of debt is living beyond our means** (vacations, housing, clothing, entertainment, expensive purchases)

A. God has so much many blessings for us!

B. Psalm 31:19, *“How great is Your goodness, which You have stored up for those who fear You, which You bestow in the sight of all of those who take refuge in You.”*

1. Blessings are stored up.

2. God may or may not be blessing you financially. You may have little debt or a lot of debt. I’m here to tell you that God has so much more for you.

C. When you live your lives according to God’s principles, He will pour out more and more of His blessings on you, tangibly or intangibly.

**II. Big blocker to blessing is debt.**

A. Proverbs 22:7, *“...the borrower is servant to the lender.”*

*“Servant to the lender”* - Visa, Discover Card, American Express.

B. The Bible says a lot about debt. And you may be surprised to know that the Bible is not against debt, but not paying off outstanding debt.

1. Romans 12:8, *“Let no debt remain outstanding...”*

C. The area of indebtedness that is a major blessing blocker is credit card debt.

1. Credit cards – Avg. American is in debt \$8,000 in unsecured debt.

## Tools to Help You Get Out of Debt

### I. Three attributes that cause debt:

- A. **Impulse spending.** When you weren't planning on buying something but you decide to buy it.
  1. Fenton's Ice Cream & Cinnabuns and Oakland airport
- B. **"Spend it all"** mentality. You determine to spend a set amount and end up spending all you have.
  1. Go to Old Navy to buy a pair of socks. The pair is \$8. The clerk mentions to you that you could buy 3 pair for \$21. "Oh, yeah." Then, you end up taking out plastic and charging it.
  2. Credit cards are plastic people eaters.
- C. **"One up"** mentality. You're trying to keep up with your co-worker or neighbor. It becomes a competition; one-upmanship
  1. You buy an ipod shuffle; your friend buys a mini ipod. You upgrade to an ipod that stores 5,000 songs. Your friend buys an ipod that stores 10,000 songs and it goes on and on.
  2. One upping. You've got be better. You're in a competition; competition to see who can gets into the most debt. You're trying to keep up with the Jones', but the Jones' are broke.
- D. Identify these attitudes in your life. Learn to develop biblical thinking around money.
  1. Change your attitude from "impulse spending", "spend it all" and "One-upmanship" to living God's way with money.
  2. Philippians 2:3, *"Do nothing out of selfish ambition or vain conceit, but in humility consider others better than yourselves."*

## God's Principles for Money Management

### Illustration of man meeting with financial mentor.

- Mentor – "You need a plan for your money. What plan do you have for your money?"
- Client – "If I had more money I'd have a plan."
- Mentor – "No, if you had a better plan, you would have more money."

### 1. The mentor goes on to teach his client a biblical plan for finding favor with God.

- A. Proverbs 27:23, *"Be sure you know the condition of your flocks, give careful attention to your herds..."* This passage is about money. A modern rendition of this might say, *"Be sure you know the condition of your stocks..."*
- B. The Bible considers money one of the lowest levels of living. We, instead, always make money the highest level of living.
- C. The Bible says manage your money well so that you can move on to even more important things.
- D. If you don't know "the condition of your flocks", you can't go on to other more important things.

## What Does God's Word Have to Say about Biblical Planning for Finances?

**I. Learn to manage money when the amounts are small.** Take those principles and use them when the amounts are large.

A. Small amount – \$10 (10 ones). Apply 70% principle.

1. \$1 of \$10. Bring this to God. Bible calls this the tithe, 10%.

Not just any 10%, not the last 10%, but the first 10%. We bring the first fruits, 10% tithe, to God.

a. You tithe so that the 90% left can be blessed.

b. Do you want 100% cursed or 90% blessed? Bring 10% tithe to God. Money belongs to God anyway.

c. You bring the tithe off the gross that you earn; pre-tax income. "God you helped me earn this. You gave me the strength and the ability to make this. I'll bring you the first 10%."

d. Some tip God and give him \$1. Malachi 3:8, "*Will a mere mortal rob God? Yet you rob me.*" "*But you ask, 'How are we robbing you?' 'In tithes and offering.'*"

e. Give your full tithe in 2009.

2. Second \$1 of \$10 (10%). If you're in debt, the second 10% is used to pay off the debt. Decide: Rob God or Visa?

Bring 10% to God and 90% will be blessed. God will give you the power to get out of debt. How do you pay off your debt?

a. Know the amount you owe (debt). How much? Psalm 37:21, "*The wicked borrow and do not repay...*" A lot of people never repay because they don't know how much they owe.

b. Pay off the smallest amount first. 3 different types debt: \$1,000, \$5,000, \$10,000. Make the minimum payment on the \$5,000 and \$10,000. Pay off the \$1,000 first. When \$1,000 paid off, take the payment from \$1,000 and add it on to minimum of \$5,000. Pay it down. Then, do the same with the \$10,000 debt. And remember, you continue to tithe, honoring God.

\* Ask lender to give a discount on your interest rate and they will. If you're paying 19% interest and you make the decision to pay off your credit card, call the credit card company and ask for a lower rate. The one answering the phone won't probably be able to do it so ask for their supervisor and keep asking for higher-ups until you get the person who can do it. God can work a miracle. Ask for the discount.

\* It is important to learn the discipline of money management.

3. Third 10% you save, savings. Baby boomers are bad at saving. Later generations are even worse. People tend to fall into the three attitudes I talked about earlier. Bible's model for saving, the ant. Proverbs 6:6-8, *"Look to the ant, you sluggard; consider its ways and be wise! It has no commander, no overseer or ruler, yet it stores its provisions in summer and gathers its food at harvest."* Have an antlike approach and save.
  - a. The ant stores when it doesn't need it so it has it when it does. Practice this and save for any future trouble.
  - b. How much saved? Liquid savings and investments. Financial experts are now saying 3-6 month's worth of income in case of job loss or health issues.

Jesus says in Luke 16:11, *"So if you have not been trustworthy in handling worldly wealth, who will trust you with true riches?"* Money is temporal, Jesus wants you to have eternal blessings.

Learn to live on 70%. Did you know that another word for live is enjoy. Learn to enjoy the 70% of your gross income. Debt happens because we're living on 110%.

- Truett Cathy, founder of Chic-Fil-A Restaurants: Closed on Sundays. Attributes success to the 70% principle.
- Modern books: David Bach, non-Christian, but promotes 70% principle and tithe (sacrificial gift), as do other financial experts.

Key: Don't leave God out of the equation. Manage money God's way, not with just a plan but with God's power.

- Hebrews 13:5, *"Keep your lives from the love of money and be content with what you have..."*

Challenge: Put a plan together to get out of debt. 3 months or 3 years. Hebrews 13:5 tells us to not go deeper in debt. Stop the bleeding! Start today! Put together a plan.

Here is a memory verse: Psalm 37:5, *"Commit your way to the Lord; trust in Him and He will do this..."* *"And He will"* – that's faith. Follow God's principles for money and experience God's power in your life. You need God's perspective for not only money but for all your life.

### **PRAY!**

- Choices
- Wisdom
- 2300 verses in the Bible on managing money
- Manage well
- 10% to You
- Power with plan
- Financial freedom, so that we can do so much more for You.