

Biblical Principles of Money (Part 6) – Debt

Dt 15:7-8; It's 1 of 2 Scriptures we're going to look at, as we near the end of our series on money; Next week is it
And thus far, we've discovered 12 principles; Principles that are crucial for a life that's built to last; From . . .

Principle #1 – Everything I have is God's

Principle #2 – It's my responsibility to be a good steward

Principle #3 – How I manage my money reflects my heart

Principle #4 – A little foresight goes a long way

Principle #5 – God expects me to be shrewd with my money (v8)

To . . .

Principle #6 – I should use my money to influence people for Christ

And then in 7-12, we found that . . .

Principle #7 – How I handle a little shows how I would handle a lot

Principle #8 – God rewards my faithful stewardship

Principle #9 – I can't (and won't) serve God if money is my idol

Principle #10 – Contentment is the key to the fullness of God's blessing

Principle #11 – A love of money leads to no good

Principle #12 – To whom much is given, much is expected

12 principles for a life that's built to last

➤ Which brings us to Part 6, and debt*****

And I gotta tell ya, this is a touchy one; And a dicey one

Dicey, b/c the Bible has several different things to say about it, and touchy, b/c it's so prevalent and so abused; In fact, it's a problem of biblical proportions

Like the fact that. . .

46.7% of households (in the US) **carry a credit card balance**

Average Credit Card Balance Per Household: \$16,140

Average Credit Card Interest Rate: 21%

Average Household Debt (not including mortgages): **\$54,000** (Federal Reserve, Oct '15)

Per person, that's \$10,600

And just to put that in perspective – in 1952, it was \$160 per person; It's a problem

And our government has led the way; Racking up \$18.7 *Trillion* of debt as a nation; Or

\$157k per tax payer; In *addition* to all the personal debt we carry

And nobody wants to talk about it; Literally

A March 2013 poll found that 85 percent of us are more likely to talk about our religion, politics, salary, and love life – than we are about our debt*****

It's a problem of biblical proportions, and we need to know what the Bible says about it

➤ So here's the first principle

Principle #13 – The Bible discourages debt, but doesn't prohibit it (Prov 22:7)

So many people wrongly think, that all debt is wrong; And wrongly think, that's what *God* thinks; Sometimes b/c they've been taught wrong . . .

Or have interpreted the Scriptures wrong, or have been burned by debt themselves

Or, b/c they fail to differentiate between their personal convictions & biblical principles

Whatever the case, nothing could be further from truth

The Bible does *not* prohibit borrowing and lending, and even indicates that it's necessary at times

➤ Like Moses says right here in Dt 15:7-8

"If among you, one of your brothers should become poor, in any of your towns within your land that the LORD your God is giving you, you shall not harden your heart or shut your hand against your poor brother, [8] but you shall open your hand to him and lend him sufficient for his need, whatever it may be.

Lending to those who needed it was often a necessity; And still is

In which case debt *isn't* prohibited; Pretty clear

➤ And don't be confused by the *previous* 2 verses that some people *misuse*, to say otherwise; Look at v4b

After saying there will be no poor among God's people at that time, he gives the reason [4b] *For the LORD will bless you [note that word] in the land that the LORD your God is giving you for an inheritance to possess—[5] if only you will strictly obey the voice of the LORD your God, being careful to do all this commandment that I command you today. [6] For the LORD your God will bless you, as he promised you, and you shall lend to many nations, but you shall not borrow, and you shall rule over many nations, but they shall not rule over you.*

Some people say – “See, the Bible says *you shall not borrow!*”

But what they miss, or leave out, is the context; Indicating that it's a blessing, not a command; A blessing as a result of obedience

IOW if they obeyed the Lord, he would bless them with the ability to lend

Showing once again, that debt isn't prohibited

➤ And the rest of Scripture confirms it

Like **Ps 37:26**, referring to a righteous person – [26] *He is ever lending generously, and his children become a blessing.* He lends

And **Ps 112:5** – *It is well with the man who deals generously and lends*

And Dt 24 even contains guidelines that protect the *borrower*

And then there's **Mt 5:42**, where Jesus says – *Give to the one who begs from you, and do not refuse the one who would borrow from you.*

All of which makes debt, a legitimate and even God-honoring transaction at times*****

➤ But it's *not* preferred; Which brings us to the other side of the coin

Debt is not *prohibited* in the Bible, but it *is* discouraged

And that's found in **Prov 22:7** – *the pillar passage* on this; *The rich rules over the poor, and the borrower is the slave of the lender.*

Meaning, if you're in debt, you don't have the luxury or freedom to spend your money the way you want; You're constrained

Subject to the desires of your lender, and in a position of servitude

That's the idea of being a *slave*; It's a strong word, intended to *discourage* us from debt, instead of incurring it; It's not wrong, just undesirable*****

And Dt 28 indicates the same; Saying that a borrower is to a lender, like a tail is to a head, and low is to high (v15,43-44); Not great

And definitely not an incentive to go out and borrow

So the 1st way the Bible discourages debt, is by portraying the borrower as severely disadvantaged; Like a slave or a tail

- The 2nd way, is by putting immense *pressure* on the borrower; Pressure to never default
That's the idea of **Rom 13:7-8**, where the Apostle Paul says *owe no one anything*
[7] *Pay to all what is owed to them: taxes to whom taxes are owed, revenue to whom revenue is owed, respect to whom respect is owed, honor to whom honor is owed.*
[8] *Owe no one anything*, except to love each other, for the one who loves another has fulfilled the law.

This is another passage that some people use to say we should never borrow
But that's not the meaning here; *Owe no one anything* doesn't mean never go into debt
Rather, it means don't get *behind* in your debt; Don't be *delinquent* in your obligations;
Don't fail to repay

And I say that, b/c that's the idea of the *other* things he talks about – like taxes, revenue, honor, and love; Things that are *always* due; Things we *always* owe
So Paul's point *can't* be, never have an obligation; Never be in debt
Rather, it has to be – don't fail to *meet* your obligations; Don't fail to pay your debt

When the tax bill comes, send the money; When you hire someone, write the check – give them the *revenue* or income they earned
When someone deserves honor or respect, show it
As long as there are people in your life, love them
And by the same token, if you're in debt, don't fail to pay it off
Owe no one anything in that respect*****

It's a high, high standard that doesn't allow for default; And therefore comes with a *ton* of pressure; The 2nd reason for discouraging us from entering into it in the first place

- Now, does that mean bankruptcy is out of the question? No; Not necessarily
But the circumstances that legitimately warrant it are few and far between
And as believers, we risk bringing shame to the name by going there
Which adds even more pressure to our debt

So while the Bible doesn't prohibit it, it does discourage it; Portraying the borrower as severely disadvantaged, and putting them under immense pressure
It's the 13th principle for a life that's built to last

Principle #14 – Unnecessary debt is often foolish and sometimes wrong (Js 4:13-16)

And I'm going to give you 4 reasons for that; But before I do, let me encourage you to do a few things

First of all, try not to rationalize; Try to be objective about your debt, and think *biblically*; Letting the Lord speak, even if it means conviction, remorse, or discomfort

And if you need to make some changes, don't do it rashly; Go slowly
Don't make a knee-jerk decision to get *out* of debt, like you might have done to get into it; Get wise biblical counsel, make a plan, and follow it

And one more thing – manage your expectations; I'm not going to be able to tell you exactly what *unnecessary* means; Or whether your particular debt is wise or foolish
You're going to have to determine that, based on your own set of circumstances, and needs, and life

- That said, here's the 1st reason that unnecessary debt is often foolish/sometimes wrong
1. It presumes on the future

James 4:13-16 – [13] *Come now, you who say, "Today or tomorrow we will go into such and such a town and spend a year there and trade and make a profit"*—[14] *yet you do not know what tomorrow will bring. What is your life? For you are a mist that appears for a little time and then vanishes.* [15] *Instead you ought to say, "If the Lord wills, we will live and do this or that."* [16] *As it is, you boast in your arrogance. All such boasting is evil.*

This doesn't *explicitly* reference debt, but the *principle* certainly applies
B/c *debt* presumes on the future, just like saying that you're going to make a *profit* in the future
IOW when you take on debt, any debt, whether it's necessary or not – you're *assuming* that you'll have the means to pay it off

Which may not be the case; Especially if it's unsecured debt like a credit card; Or debt on something that depreciates faster than your principle
Like often happens with a boat, or a car when people finance too much of it
It ends up being worth less than the loan value in the later years

In which case you're *assuming*, that you'll be able to pay it off with your *income*
And that, presumes on the future; B/c you have no idea whether you'll even be *alive* at that point; Let alone make enough money
Or have enough expendable income in light of other needs that might arise; Who knows what will come up?
If you have unnecessary debt, especially unsecured debt, it may very well be foolish

2nd, it's often foolish and sometimes wrong, b/c . . .

2. It's poor stewardship

Poor, b/c it forces you to pay more for an item or service, than what it's worth
If you take out a loan for something, you're going to end up paying *more* for that item, than what it's worth in cash

For instance, if you rack up \$5k on your credit card, for things like clothes, movies, and restaurants – and then take 5 years to pay it off at 21% interest . . .
You'll end up paying over \$8k for those things, instead of 5
And when they're unnecessary, that's poor stewardship, and wrong

3rd, unnecessary debt is often foolish and sometimes wrong, b/c . . .

3. It prohibits kingdom uses for your money

Using the same example, that \$3k of extra interest could have been used to advance the gospel; Or given to someone in need; Or provide for your family
But it can't, b/c you borrowed unnecessarily
You're prohibited; Which is foolish at best, and wrong at worst

And then 4th, unnecessary debt is often foolish and sometimes wrong, b/c . . .

4. It's often the result of sinful desires

Like vanity, pride, and impatience

Vanity, as in, you want to look good; So you spend accordingly, even if it means going into debt; Or maybe it's pride, in that you don't want to look *bad*

Or impatience, in that you want it *now*; And fail to exercise your God-given self-control to *delay* your gratification

Debt for *those* reasons, is foolish *and* wrong (**Summary**)

➤ All of which begs the question – What's *unnecessary*?

And this is where I don't have all the answers

But when you take into account the importance of *contentment* in the Scriptures, and having a *kingdom* focus, and the mind of Christ – it comes down to this . . .

Unnecessary debt is any loan you incur, to fund your “greeds” instead of your needs

Things you want that are over the top; Or things you can and should do without for the time being; That's unnecessary

➤ Does that mean you should never borrow to buy a new car? Not necessarily

It depends on what you need it for; And how dependable it needs to be

What about a big house? Is going into debt for *that* unnecessary? Maybe; Maybe not

Maybe it's necessary b/c of the size of your family; Or how you use your home

Or maybe that's rationalizing, and it *is* unnecessary

Or how about those new shoes you can't afford, but have to have? Or the Christmas gifts that require a credit card? Is that unnecessary debt? Probably; And not very wise

Whatever the case and whatever the situation, don't shy away from wrestling with this

Let the Lord speak; B/c it's a rock solid principle for a life that's built to last

And last . . .

Principle #15 – If I borrow at all, I should do so cautiously and wisely (Prov 21:5)

Let's just say it like it is – most people can't handle debt

They can't handle the temptation it affords for instant gratification

They can't handle the enticement it is to over-indulge

And they can't handle the pressure or emotional strain, of having it hang over their head

And if you don't think you're *like* most people in that respect, you're on thin ice

Prov 21:5 says – *The plans of the diligent lead surely to abundance, but everyone who is hasty comes only to poverty.*

If that doesn't apply to debt, I don't know what does

Debt *begs* for caution and wisdom; And those who incur it *apart* from such things, end up with a house on sand, that's destined to crumble

➤ So let me give you **6 Guidelines** for borrowing cautiously and wisely

1. Avoid credit cards like the plague

Unless, you pay the balance in full each month; Then, there could be some advantages

But don't automatically assume you can handle it, b/c chances are, you can't

Especially if you don't have the money in the bank to cover it at the *beginning* of the month

2nd, for all other debt . . .

2. Have a realistic means of paying it off

IOW make sure your income is adequate, your job is stable, and there's light at the end of the tunnel; That is, make sure you aren't demoralized by how long it will take

And if it's a loan to expand your business, make sure that even your most *conservative* estimates of profit, will be adequate to pay it off

Have a realistic means of paying it off, in a realistic amount of time

3. Make sure the debt is secured by an asset of greater value

Like a house secures a mortgage; Not that housing values are a *sure* thing, but at least there's a decent precedent for holding their value

And a down payment to mitigate the risk of depreciation, while you pay it off

4. Avoid special terms or unreasonable rates

Like interest-only payments; Or exorbitant *rates* due to your bad credit history; Or variable *terms* that could change on a dime

If it's out of the ordinary, or too lopsided in the lender's favor, or out of your league of understanding – avoid it

5. Make sure there's a compelling reason to borrow

That could be a need; Or an amazing opportunity; Or even a *kingdom* cause of some sort

Like this building, which affords us the opportunity to do more ministry than we could have *imagined* in the high school

6. Be eager to pay it off

Unless, the debt enables you to make *more* money, like in your business, or do more *ministry*, like in church

Other than that, stay away from it, and be eager to pay it off if you haven't (**Summary**)

6 guidelines, to help you borrow cautiously and wisely, if you borrow at all (**Summary**)

B/c unnecessary debt is often foolish, and sometimes wrong, and the Bible discourages it

Prayer – Lord, we want to honor you in every aspect of our money; So keep us from rationalizing; And help us to be content; And to exercise self-control; And proceed w/ caution

We love you, and give now of our tithes and offerings, for your glory and your work