

## HOW TO MANAGE YOUR MONEY FINANCIAL PLANNING

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### I. WAR ON DEBT

Ps. 37:21 The wicked borroweth, and payeth not again: but the righteous showeth mercy, and giveth.

Prov. 22:7 The rich ruleth over the poor, and the borrower is servant to the lender

Rom. 13:7-8. Render therefore to all their dues: tribute to whom tribute is due; custom to whom custom; fear to whom fear; honour to whom honour. Owe no man any thing, but to love one another: for he that loveth another hath fulfilled the law.

A. Our ultimate goal is to get out of debt.

B. We have to discipline ourselves.

The word discipline means:

1. To train or develop by instruction.
2. To bring under control.
3. To punish or penalize.

### II. GOING UNDER IN GOOD TIMES.

Credit counseling services report a shocking 67% increase in the number of clients coming in for help over the past four years. This rapid increase of people owing more money than they can repay would be somewhat understandable if our economy were in a state of depression. But it is not. The increase of financial problems is taking place in the midst of unprecedented financial growth in the economy.

The spirit of debt has driven the world into a most uncomfortable position. Individuals, as well as nations, find themselves up to their eyeballs in debt. They do not seem to realize that the end of the good life is soon to come.

### III. PARTY IS OVER

A. Inflation no longer out strides interest rates.

B. Interest rates have escalated 18 to 21% for household items in the past and could go that high again.

C. Tax deductions are quickly drying up.

1989 The IRS allowed 20% write off on loan cost.

1990 it dropped to 10%.

1991 zero per cent.

### IV. LIFE TIME SERVANTS OF THE CREDITOR

A. Credit cards are convenient, but they are the most expensive way to borrow money.

B. Little demand on the borrower. They require only a small minimum payment each month, usually 2½ % of entire bill. This allows your interest cost to skyrocket.

Write this statement down and read it every time you use your credit card.

**IF YOU MAKE THE MINIMUM PAYMENT ON YOUR CREDIT CARDS AND CONTINUE TO USE YOUR LINE OF CREDIT, YOU WILL BE PAYING ON YOUR CARDS FOR THE REST OF YOUR LIFE.**

#### V. ARE YOU IN A TRAP?

There are some basic rules established by the credit industry to help you know when you are in trouble.

A. You are in trouble when you pay more than 20% of your income on consumer debt.

B. You are in trouble when you can afford to pay only the minimum monthly payment on your C.C.

C. When you start taking those pre-approved C.C. because you have exhausted the credit limits on the ones you have.

D. When you use a credit card to make the minimum payment on other C.C.'s.

E. When you make alternating bill payments, you are more than in trouble, you are in financial collapse.

#### VI. IT IS A PLOT.

A. Buy that new luxury car. \$1000.00 cash back.

B. Take that luxury vacation. Take up to 6 months pay.

C. Buy the newest line of clothes. Ware now & pay later.

(Mark 8:18 Having eyes, see ye not? and having ears, hear ye not? and do ye not remember?)

Having eyes, see ye not? Having ears, hear ye not?

#### VII. RETIRING IN AN OCEAN OF RED INK.

A. More & more of our senior citizens are entering their retirement years strapped with unmanaged debt. Some are forced to sell their homes and move into something cheaper.

B. The banking industry has come up with a mortgage called "REVERSE MORTGAGE." Banks will give senior homeowners up to \$1000.00 a month until they sell or die. You talk about spending your children's inheritance; you have nothing to pass on to your children.

(Prov. 13: 22 A good man leaveth an inheritance to his children's children: and the wealth of the sinner is laid up for the just.)

### VIII. BORROWING

(2 Kings 6:1-7 And the sons of the prophets said unto Elisha, Behold now, the place where we dwell with thee is too strait for us. Let us go, we pray thee, unto Jordan, and take thence every man a beam, and let us make us a place there, where we may dwell. And he answered, Go ye. And one said, Be content, I pray thee, and go with thy servants. And he answered, I will go. So he went with them. And when they came to Jordan, they cut down wood. But as one was felling a beam, the ax head fell into the water: and he cried, and said, Alas, master! for it was borrowed. And the man of God said, Where fell it? And he showed him the place. And he cut down a stick, and cast *it* in thither; and the iron did swim. Therefore said he, Take *it* up to thee. And he put out his hand, and took it.)

A. The prophet's attention is capture.

B. Because it was borrowed.

### IX. DEBT BRINGS ANXIETY

Experts tell us that today, as never before, our society is overwhelmed with anxiety. The greatest single reason for this emotional upheaval is attributable to money problems. The staggering debt with which most people are forced to live is more than their emotional systems were created to bear.

I am speaking of good, honest people who have foolishly acquired more debt than they can repay. It is our psychological pain. Their inability to manage their debt gives them a feeling of hopelessness.

More sleepless nights are attributed to unmanageable debt than to anything else. This has been greatly responsible for America becoming an around-the-clock society. Stores, television stations, and bars remain open twenty-four hour a day, primarily catering to the needs of the sleepless.

### X. A DAMAGE FENDER CAN DAMAGE YOUR SOUL.

Let me illustrate how devastation the responsibility of debt can be. Have you ever had a little fender-bender with your automobile? When this happens it is traumatic, to say the least, no matter how unpleasant it may be, it is not to be compared to the trauma that the same fender-bender would cause if the circumstances were just a little different. Imagine that you had this same accident in a borrowed car. Upon impact, your inner man (soul) would immediately cry out, "Alas, it was borrowed!"

When responsible people borrow, their emotions are always impacted. There is no better way to put it. Borrowing grinds at your insides.

#### XI. DEBT ATTRIBUTES TO DIVORCE.

Many Christians have a hard time believing that God is concerned about their finances. Yet all Christians would agree that God has extreme concern for the sanctity of marriage. Well, beloved, here's a simple fact. Unmanageable debt is the leading cause of broken marriages! In 1988 over 50% of the 1.3 million newly divorced couples listed money (or more precisely, more debt than there was money to repay) as the main reason for their divorces.

It's no wonder that financial trouble is the leading cause of divorce. When debt is out of control, wives become afraid to answer the telephone. They fear hearing the harsh voice of another bill collector demanding payment. They are afraid to answer the door because they may be greeted by one of the utility companies that have come to shut off their service. Every time a truck pulls up on their street, they fear it is the men from the finance company coming to take the family car.

With a day of debt-induced terror behind her, you can easily imagine the warm greeting this housewife is going to give her already stressed-out husband when he walks in the door. Can you imagine the inadequate feelings this husband experiences as he listens to his wife's broken-hearted description of her day? Do you see how debt tears at marriage?

Christian marriages are not exempt! Husbands become threatened, even intimidated, when they fail to provide the basic necessities for their families. This strikes at the very essence of the husband's manhood.

#### XII. DIVIDED FAMILIES

This same tragic pattern often repeats itself among other family members. When son borrows from father, or when sister borrows from brother, and fails to pay back the debt, something much more serious than the loss of money takes place. Fathers and sons stop talking. Brothers and sisters cease to visit each other. In short, borrowing from relatives often results in a permanent breach in normal family relations.

#### XIII. BROKEN FRIENDSHIPS

Bad debts quickly break up lifelong friendships. When you borrow money from a friend then cannot pay it back, what happens? Invariably, the friendship begins to weaken, and then it just dies. If the amount of the debt was high enough, lifetime friends are turned into lifetime enemies.

#### XIV. GOOD EMPLOYEES BECOME BAD EMPLOYEES

Alcoholism and drug abuses are of the triggered by the pressures of unmanageable debt. Previously good employees are driven to poor work habits, crime, or even suicide over their debt problems. Sleepless nights and meaningless days are the result of not being able to pay the bills. Eventually, a good employee becomes a bad one. Letters of commendation turn it to warning notices, and eventually, the dreaded pink slip appears.

#### XV. THE GREAT COMMISSION BECOMES THE GREAT OMISSION.

The over-extended Christian can have little, if any part in the Gospel outreach. Instead of his primary purpose being to reach the world for Christ, he must now allocate all his money to debt payments. To put it simply, his debt now rules him. He can no longer give properly to the cause of Christ. His new master will not let him. Debt always says no to the preaching of the Gospel. For all intents and purposes, the overburdened child of God has by his own hand, cancelled his part in the Great Commission.

When the spirit of debt rules, the biggest goal the local church has is making the monthly mortgage payment. Satisfying the lender has replaced satisfying God. When this happens, the Church is no longer the servant of God. Her own foolish actions have made her the servant of the lender.

#### XVI. THE SPIRIT OF DEBT.

(..... we are not ignorant of his devices 2 Corin 2:11)

By now I hope you realize there is a spirit that pushes people into uncontrollable debt. When I speak of uncontrollable debt, I am talking about the kind of debt that can no longer be properly serviced by the borrower. I am speaking of people who are driven by the impulse to buy- an impulse to charge ever more to their already over-extended credit lines. I am talking about folks who will lie to get more credit while they cannot pay off what they already owe.

#### XVII. AN EVIL, UNDERLYING PLAN

Past advertising trends have conditioned the consumer to buy simply because he deserves it. One very popular fast-food chain further exploits this thinking by saying “You deserve a break today.” A manufacturer of an expensive hair-coloring formula says you must buy their over-priced product because you are worth it.

When impulse buying involves only a pack of gum, a candy bar, or a hamburger, it seems innocent enough. But it becomes serious business when it

progresses on to high-priced items such as cars, speedboats, new home- items that quickly prove to be too expensive for your already overtaxed budget.

When this compulsion becomes fully developed, the consumer is driven to buy, even if he has to charge the item he wants. He begins to shop just to cheer himself up. He buys to reward himself. He splurges to enhance his feelings of prestige. Some call it “Keeping up with the Jones.” (By the way, I heard that the Jones’s are filing for bankruptcy next week, just ahead of all those who have tried to keep up with them!)

#### XVIII. A SELF-IMPOSED SENTENCE ON YOUR REMAINING DAYS.

When you buy something on time payments, what you actually do is impose a time sentence upon your life. For example, if a person is thirty-five years old, and plans to retire at sixty-five, he has thirty-five years of life remaining to produce income.

When he secures a thirty-year mortgage for a new home, he is actually passing a thirty-year time sentence on his remaining productive years. That is equivalent to 86 % of his productive financial life. With the single commitment to a thirty-year home loan, he guarantees that the majority of his financial life will be spent in debt to the mortgage holder. His own hand has set him in bondage to the banks for all but five of his financially productive years.

Next, this same person secures a five-year car loan. This single act dedicates 14% of his financial life to paying for that car. When the children reach school age, he takes out a four-year loan to buy encyclopedias. This represents an 11% sentence of his financial life.

Do you see how the spirit of debt dominates your wage-earning life?

#### XIX. DEBT HAS BECOME A SUNDAY GO TO MEETING SPIRIT.

Unlike the spirit of alcoholism or drugs addiction, the spirit of debt is readily acceptable in the Christian community. Yet, the devastation it brings upon our churches easily outweighs the damage caused by drugs and alcohol.

Beloved make no mistake about it, debt is a spirit. It has brought the Church into the world and the world into the church.

(... The spirit that now worketh in the children of disobedience. Eph. 1:1)

Before that miraculous debt cancelation process can be unleashed in your life, you must first become convinced that God’s way is the only real way out of your financial problem.

(Deut. 15: 6 For the LORD thy God blesseth thee, as he promised thee: and thou shalt lend unto many nations, but thou shalt not borrow; and thou shalt reign over many nations, but they shall not reign over thee.

(... Call upon me in the day of trouble: I will deliver thee.. Ps. 50:15)

For some reason, people do not tend to use God's solution until they know from experience that man's solution does not work. If only people would see that paying God first and allowing the Lord to bless would produce the life style that they truly want. Somehow they feel paying tithes and offerings are a waste when all the time it is the answer.