

*Happy Valentine's Day!*



# Act Your Own Wage!

## Topic: Debt

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Lombard, IL

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# Act Your Own Wage!

- Household debt rises at about 10% per year.
- Increase in the debt to income ratio.

Focus Point: Debt

Simple message:

Debt is bad, avoid it! Get out of it!

# Debt Trap!

Proverbs 22:7 “The rich rule over the poor, and the borrower becomes a slave to the lender.”

Debt is “money owed to credit card companies, bank loans, money borrowed from relatives, a home mortgage, and automobile and leisure loans.

Any time you take a loan you are obligated to pay it back.

# Danger Signs – Avoid the Debt Trap

1. We are living on credit to maintain our standard of living.

Proverbs 22:26-27 “Do not be a man who strikes hands in pledge or puts up security for debts; if you lack the means to pay your very bed will be snatched from under you.”

Two basic problems develop

- We spend more than we have.
- We are living presumptuously (James 4:13-15)

# Danger Signs – Avoid the Debt Trap

2. Delaying payments, having late payments and paying just the minimum due amounts.

Romans 13:8 “Let no debt remain outstanding, ...”

# Danger Signs – Avoid the Debt Trap

3. We are unable to tithe or save

Malachi 3:8 “Will a man rob God? Yet you rob me. But you ask, how do we rob you? In tithes and offerings.

# Danger Signs – Avoid the Debt Trap

4. We are unable to pay taxes; either income taxes or property taxes.
5. We have extravagant spending



# Principles to Get Out of Debt Trap

1. Commit to becoming debt free now.
2. Start paying God and yourself first.
3. Make a commitment to another person.
4. Do a financial net worth inventory.
5. Sell some things.
6. Set up a repayment plan
7. Get advice from others

# Principles to Get Out of Debt Trap

8. Pray
9. Stop over spending
10. Learn to spend less than you make each month.
11. Add no new debt
12. Share your plan with creditors
13. Stick with your plan

# Crown Financial

Debt is permissible if the following 3 criteria is met:

1. The item purchased is an asset with the potential to appreciate or produce an income.
2. The value of the item equals or exceeds the amount owed against it.
3. The debt is not so large that repayment put an undue strain on your budget.

Act Your Own Wage!

Get out of debt!