

HOW DO I GET OUT OF DEBT?

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"Owe nothing to anyone except love." – Romans 13:8

DEBT DANGER SIGNS

1. Living on credit instead of PAYING CASH.
2. Delaying payments or paying MINIMUMS.
- 3& 4 Unable to TITHE or SAVE.
5. Unable to PAY TAXES.
6. Looking for GET RICH QUICK IDEAS.

8 STEPS OUT TO BECOMING DEBT FREE

1. Commit **TO BECOMING DEBT FREE NOW!**

The wicked borrow and never repay, but the godly are generous givers. – Psalm 37:21

2. **START PAYING GOD & YOURSELF FIRST.** *Matthew 3:8-11, Proverbs 3:9-10, 1 Corinthians 16:1-2 - Tithing & Saving*

The purpose of tithing is to teach you always to put God first in your lives. – Deuteronomy 14:23

3. **LIST ALL I OWE & ALL I OWN.** *By wisdom a house is built, and through understanding it is established.* – Proverbs 24:3

4. **HAVE A SALE** *Get rid of your idols...* – Ezekiel 20:7

5. **SET UP A REPAYMENT PLAN** *Good planning and hard work lead to prosperity...*

– Proverbs 21:5

Get advice if you want your plans to work. – Proverbs 20:18

6. **ADD NO DEBT** *Be satisfied with what you have.* . ." – Hebrews 13:5

7. **SHARE MY PLAN WITH MY CREDITORS**.

When the ways of people please the LORD, he makes even their enemies live at peace with them. –
Proverbs 16:7

8. STICK TO IT AND TRUST GOD !

Memory Verse

Let us not get tired of doing what is right, for after a while we will reap a harvest of blessing if we don't get discouraged and give up." – Galatians 6:9

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

MY NEXT STEP TODAY IS TO . . .

- Memorize Galatians 6:9.
- Follow these biblical guidelines with the intention of getting out of debt between now and _____ [date].
- Receive God's forgiveness for my sin-debt and begin today following Jesus and His plan for my life.
- Join The Nazarene family by attending the next Membership Class Sun, Jan17

Join us next Sunday as we continue our new teaching series "Financial Peace" with "How Do I Save In This Economy?"

FINANCIAL PEACE
How Do I Get Out of Debt?
January 10, 2010

Hello everyone, and welcome to The Church of the Nazarene. It's great to see you today. Thanks for being here. We are in a series called Financial Peace and the big theme of this series is—God wants to replace your financial stress with His Financial Peace. Nothing causes us more stress than dealing with debt. So today we are going to talk about “how do I get out of debt?” The Bible speaks a lot about debt and gives a lot of advice about how to get out of debt. And I want you to reach that point where you say—God, I want You to be first in my finances and God, under Your power, I am going to live debt free. **That's what the challenge is all about today.** So that's what we are going to talk about today. So many people think “Well if I could just win the lottery then I could be debt free” I don't want you to place your hope in the lottery. I want you to base your hope of becoming debt free on what God has to say in the Scripture. So everybody can walk out of here with a plan to become debt free. So with that in mind, grab your message notes and let me give you this first verse. In your message notes, inside your program, **Romans 13:8**, it says, “We should owe nothing to anyone except love.” Let me ask you. Is that true in your life? Are you debt free today? Seven out of ten people on average are not debt free. The average American has \$17,000 in credit card debt alone. So this is a big issue in our world. It's probably a big issue in your life. **So what are some danger signs of debt.** Well, as you can see, I posted six of those on the front page of your notes. I am going to give these to you rather quickly, but here are some danger signs. I want you to evaluate your life and ask yourself—have I fallen into the danger trap, the bondage of debt?

- 1. Are you living on credit instead of paying cash?** That's a danger sign. You say, well, how do I know? Well, you know if your credit card bill is getting higher and higher every month. Instead of your credit card bill going down, you keep adding more and more credit and you are spending more and more of your income if this is your danger sign.
- 2. You are delaying payments, or you are making minimum payments.** Are you paying the minimum due? By delaying payments, this is what we do when we do the credit card shuffle. Have you ever done the credit card shuffle—you pay one credit card on the first of the month, you pay another on the 15th, and you try to get a low interest rate on the 30th of the month, and you keep trying to shuffle these things around. That's a danger sign that you are deep in debt.
- 3 and 4. Unable to tithe or save.** You say, I wish I could save but I have to pay these credit card companies. But I have so much financial aid or student loans that I can't. I would like to tithe, I would like to give God the first 10%, but I just don't know where the money is going to come from. That's a danger sign of debt.
- 5.** The next one, this one probably doesn't motivate you, but let me give it to **you—unable to pay taxes.** It's not normal to look forward to paying taxes, but it is part of the state that we live in and part of the world that we live in. And Jesus said that's okay. Jesus said two things. He said—give to God that which is God's. Like the tithe. But He also said in **Matthew 22:21**, that you should give to the government that which belongs to the government. And so a lot of times around April 15, we start thinking about how we can play around with our taxes, sometimes in an unethical way, because we don't have the money to pay them. So that's the debt danger sign.
- 6.** The final one, this one may surprise you, **it's looking for get rich quick ideas.** If you will just call this 1-800 number, and make three easy payments of \$49.95, I guarantee you over the next five years, you are going to become a millionaire. And that sounds so good, and you start wanting to buy into these ideas, and you start thinking of ways

that you can get rich very fast. But that is a danger sign of debt.

Now I want you to look over these danger signs. Now, you can mark them with your pen if you want to, but if you don't want to do that, if you just want to mark them in your mind, **how many of these apply to your life?** One danger sign, two danger signs, three or all six? I want you to realize that you are going to have to do something drastic if you are going to deal with your debt. And in just a moment, we are going to look at a process where you can become debt free. I think it's going to be a very liberating process if you will apply these Biblical principles that we are going to look at. In fact, that's my hope, that you will walk out of here today deciding to be debt free ESPECIALLY with UNSECURED DEBT like Credit cards and school loans. Not only that, BUT that you will walk out of here with a clear plan and a date on the calendar for when you are going to be debt free. By God's power, I believe that can happen.

So let's talk about nine steps to becoming debt free. And we have nine points to cover between now and the time we wrap up. If you take those nine points, and you add them to the first six that we have already looked at, that means today's message is a 15 point message. I think that might be some kind of record for me. Fifteen points! So here's what I am going to do. I'm teaching the next couple weeks, so I am going to try to make up over the next couple of weeks for all the points that I have today. So today's message is going to go 15 points, next week's message is going to be pointless. Okay? So that's kind of where we are going. Alright. Eight steps to becoming debt free. Let's dive in. Here's number one:

1. Commit to becoming debt free now. You make a commit to becoming debt free now. Now, you aren't going to become debt free by the end of this service, chances are. You can make a commitment to move in that direction. **And every decision that you have ever made starts with a commitment.** And so if you are going to commit to being debt free, you have to make that commitment right now. Listen, **debt is a heart issue.** Money is a spiritual issue. That's why we are talking about this here at church, because you have been living your life your own way. Because you have been acting like a wicked person. Not wicked good, but wicked bad. In fact, **Psalm 37:21** says, *"The wicked borrow and do not repay."* Now why does God say that's wicked? He says it's wicked because you don't have a repayment plan. You took money, that you bank on your future that you would be able to pay it back, so that's acting like a wicked person. He also says that the wicked borrow and never repay because God doesn't want you to live with that kind of stress. You know, debt causes tremendous stress in our life. That's not the way God wants us to live. God doesn't promise us a stress free existence, of course. But He says in the financial area you can find peace. Look at that verse again, *"The wicked borrow and do not repay, but the Godly are generous givers."* Now, you can decide today to make a commitment today to say—God, I'm tired of living this way. And God, with Your help, I am going to commit to become debt free. In fact, why don't you just pray that prayer right now. God, with Your help I'm committing to become debt free. It's a very powerful prayer. And it will start you in the right direction. Just making a commitment.

2. Start paying God and yourself first. Now, the reason you are in debt is because you are spending more than you make. And instead of living on 70% of your income, like we talked about a few weeks ago with the 10/10/10/70 idea, you are living on 110% of your income. So you are just going deeper and deeper in debt. In other words, your priorities are messed up. So you have to change your priorities and you have to reframe your priorities. And if you get your priorities right, that is going to put you on the right path. **So right priorities on the right path, plus God's power, can lead to great miracles in your life.** So what are priorities? **Priority #1 is paying God first.** That's called a tithe. The Bible says that the reason we are to tithe is to show that we want God to be first in our finances. In fact, I put a number of verses in your notes, that we don't have time to go into today, and you can read these when you get home. Just look at the one from **Deuteronomy 14:23.** It says, *"The purpose of tithing is to teach*

you always to put God first in your lives.” You see, I would say the reason you are in debt is because you haven’t been giving God first place in your life. God did not lead you down a path of debt. As a matter of fact, God says that’s wicked, as we just looked at. So what you have to do is you have to refocus your priorities and say—God, I want you to be first place. So you pay God first. You give God the first 10% of your income. You bring that back to God. Now, I know that doesn’t sound like it’s going to add up on paper. I mean, if you are \$100,000 in debt, you are making \$100,000 a year, and I’m saying, give \$10,000 to God, or however that would work out over the course of a year, that doesn’t make sense financially. **But you have to understand. Money again is a spiritual issue.** And you have gotten into a situation in your life because you have been living without God being in first place, so now you have to do something dramatic to put God back in first place. And the way that you put God first place in your finances, is you give Him the tithe. And I don’t know why this works, but I know it works. And so many of you are going to have to make, what is going to seem like, somewhat of an irrational decision. To start paying God first if you are going to get out of debt. And the **second part of this equation, is you pay yourself.** This is for your savings, and to prepare for your future through investments. Now, I’m not going to say much about that today because next week, we are going to take our entire message on—how do I save in this economy? And I am going to give you some Biblical principles for savings next week. But understand, commit to becoming debt free, start paying God and yourself first. Then there’s a third step, in this first part of the process, and it’s

3. List all that I owe and all that I own. You have to get started. You have to figure it out. You have to put it down on a piece of paper. Get the facts. Figure out exactly how much stuff you have. You can’t live in that state of unknown. You have to get the facts and discover the truth. As Jesus said—the truth will set you free. **Proverbs 24:3.** It says, *“By wisdom a house is built, and through understanding it is established.”* So how much do you owe. And then how much do you own. Do you have a negative net worth. Do you owe a more than you owned. And by own, I mean, how much money do you have in savings. How much do you have in the bank? How much is your stuff worth if you sold everything, and all that. Do you have a negative net worth. So once you have a clear, although picture of your finances, you can now go to work on it. You can now go to work to become debt free. . Now, in steps 4, 5, 6 and 7, I’m going to show you how you can go to work to start paying down that debt. And here’s one way.

4. You can have a sale. Now, I’m not talking about going to a sale. Okay? That’s what got you in trouble to start with. Have you ever noticed when there is a sale going on and you come back home with a lot of stuff. You don’t talk about how much you spent. You talk about how much you saved. You have this bag of clothes. I saved \$1,000 because it was 40% off. You don’t talk about the fact that you spent \$2,000 to buy it. So I’m not talking about that. Your spending habits got you into this trouble. **So you have to somehow now break the spending habits that have gotten you to this point and you have to create new spending habits.** That’s going to take some time. But one of the things you can do is you can look around at all the stuff that you have and you can decide to sell some of that stuff. Now, don’t raise your hand, but **how many** of you have more stuff than you need? **How many** of you are holding onto stuff and you are having to pay extra money for storage, and stuff like that because you have all this stuff. One of the ways that you can break the bondage of materialism, is by asking: **What** can I get rid of? **What** can I sell? **What** is it that I have that other people want and would be willing to pay me money for, so that I could take that money and apply to my credit card or my debt payment? So this point is brought to you by Ebay.com. Alright. Now, believe it or not, there is a lot of stuff that you could get rid of. And if you aren’t willing to get rid of something, and you would say—I would never sell my Cabbage Patch Doll collection, or I would never sell my Kiss memorabilia. **If** you are saying—I would never sell that, what you’ve done is you’ve made an **idol** out of that. And you started

worshipping that. Look at **Ezekiel 20:7**, God says, “Get rid of your idols.” Sell what you can now to pay down your debt and once you become debt free, if you want to buy something in the future, but then you buy it with cash and not with credit. It’s just one way that you can start getting out of debt. Here’s another one, that’s very, very important.

5. **Set up a repayment plan.** In other words, you have to have a plan. You are never going to get out of debt accidentally. Some of you have been waiting for years. One of these days I’m going to get out of debt. Well, the debt fairy never shows up and it’s just not going to happen. You have to have a plan. In fact, God works with your plan. Remember what I said—**priorities, plus the right plan, right priorities, plus the right plan, plus God’s power equals miracles.** And it can happen in your finances as well. So what kind of plan are you going to develop? **Proverbs 21:5** says, “*Good planning and hard work lead to prosperity.*” So you need a plan. Dave Ramsey in his book *The Total Money Makeover* has a great plan called the **debt snowball**. Which is—you list all of your debts on a sheet of paper, from the smallest debt all the way up to the largest debt, and you start **working on the smallest debt first**. If I have a credit card that has \$300 something on it and it’s my smallest debt and I have a student loan with \$7,000. The **first thing** I would do was I would pay the minimum balance on all of my loans, and stay current on all of the loans, but then I would put any extra money on my smallest loan. and I would begin to pay that down. And when I paid that off, I would take the money that I was paying on the small loan, and add it to my next smallest loan, and go to work on that one. All the while making minimum payments on all the others. And over time that will snowball, the snowball debt reduction process. If you don’t like that plan, find another plan. Maybe there is some one in your small group who is debt free. Ask them—what did you do? And those of you who are debt free, this coming week in your small group, share that. Share the process you used to become debt free. And we can all learn from that. One plan out there has you pay off your highest interest loans first, and then snowball that into paying off the other loans that you have. **The Key is you have to have a plan.** And then you work that plan. Set up a repayment plan.

6. **Add no new debt.** In other words, don’t add new debt if you are trying to pay off your old debt. This is really tempting. The biggest temptation that you will face when you decide to become debt free, but as you start paying down your debt, and you see it go down, you start adding more debt to compensate for that. Because those old habits are still there. So you have to do something to break the old habits. You have to decide you are not going to put anything else on credit. If you can’t pay cash for it, you’re just not going to do it. I know of one family who decided to no longer use their credit cards. What they have did is they took their credit card and put in like a plastic container and they filled that container with water and then they put it in their freezer. So they have frozen their credit card. Crude But Effective. Think about it: You want to run out and buy something, but then you have to wait for that thing to thaw. And by the time it thaws, several hours later, the impulse has passed and you are okay. I suggested another plan for adding no new debt and that would be you take this verse **Hebrews 13:5**, you cut it out of your message notes, you put it on the back of your credit card and you start practicing the principle of contentment. The principle of contentment, **Hebrews 13:5**. “*Be satisfied with what you have.*” Add no new debt. How many of you are willing to admit that when you are sitting in an audience like this and you are listening to me teach, like you are right now, that you like to try to guess what the fill ins are going to be before I give them? Does anyone want to admit that? Okay, so we have a few people, and some of you are pointing at your friends. There is always a small percentage of people that like to look ahead and try to figure out what these fill ins are going to be. So what do you think number seven is?

7. Share my plan with my wife, with my small group, with my friends. . those are all good guesses— **share my**

plan with my creditors. I caught you off guard with that one, didn't I? Now, you are in debt. Either financial aid debt, or credit card debt. You know what the biggest fear that your creditors have? What is the biggest fear that your creditors have? That you won't pay. That's their big fear. That you won't pay. They don't care if it takes you five years to pay or ten years to pay. In fact, the longer they can drag it out the more interest they are going to get paid. But what they are afraid of is that you will go bankrupt. Then you are not going to be able to pay. That they are going to have to write off this loan. So when you are working your repayment plan, one of the things that you want to realize is that your creditors may be willing to work with you. And they may be willing to give you a lower interest rate. I have heard of people calling creditors on the phone and saying—look, I can't pay 20% interest rate. Could you give me an 8% rate? And if you don't, I'm going to switch to another company. A lot of times they will. It won't be the first person that you talk to, you may have to talk to that person's supervisor on the phone, but it will happen. I have heard about other people calling financial aid services and saying—look, I can't afford \$500 a month. But I'm trying to get out of debt, can you change me to a \$250 a month payment? And then you can take the money and then readjust it and start snowballing down that debt. Let me tell you, when you are following God's plan for your life, this can happen more times than not. Look at this next verse, a promise from God, **Proverbs 16:7**, *"When the ways of people please the Lord, He makes even" their credit card companies, I mean, "their enemies live at peace with them."* Okay? Another translation of that verse because sometimes the Hebrew is difficult to translate, it could say—He made even their enemies into friends. So it can happen. If you share your plan with your creditors. Here's number eight:

8. Final step. Stick to it and trust God. You can get out of debt. You can decide to become debt free today. Listen, these Biblical principles work but you have to work these principles. God's not just going to waive a wand and help you become debt free, **because it's an issue of the heart.** If you are becoming debt free, God is changing your heart. He is wanting to break those habits where you spend more than you make. He's wanting to break those bonds of materialism. God is wanting to get your heart right as you get your financial status right. But you have to make some bold decisions. **One bold decision** —God, You are going to be first in my finances. Another bold decision is to set a date. In fact, if you look on the **BACK OF YOUR CONNECTION CARD**, that one of your Next Steps today. Next Step number two says—follow these Biblical guidelines with the intention of getting out of debt between now and _____. Put a date on there. Maybe it's four years 2014. Maybe it's 10 years, between now and 2020. God, I am putting a date down and I am going to go to work. And there is something about making a commitment. And if you don't know, just take a guess as to what date could it possibly be. And we are going to turn in our Connection Cards here at the end of the service, and you can have a date for being debt free. I know it's not going to happen over night. It's going to require you to do some work. What got you into the problems of the past, is not going to solve your problems in the future. You have to change your way of thinking, the way of acting, and your way of living, and then you have to change your heart. So let me give your heart some encouragement. **Galatians 6:9.** It says, *"Let us not get tired of doing what is right. For after a while we will reap a harvest of blessings, if we don't get discouraged and give up."* Next week we're going to talk about saving and in a few weeks we'll be talking about managing our money when it comes to prosperity. But one last thing, everybody look up here for just a second. There is **one last thing I am going to say to you about debt**, and it has nothing to do with Financial Peace. It has to do with the debt that you owe in your heart. It has to do with **spiritual debt.** You know, we have looked at a lot of verses today when it comes to the financial debt that you are in. But I want you to understand there is an even **deeper debt** that you are in, and it's the debt that you owe to God because of your sin. And I would be wrong in this service if I didn't talk to you about that. You know, you owe a debt to God because you violated His law. You have gone your own way and sinned. You

lived apart from God's principles. And that's a debt that you, personally, can never ever repay. You can't do enough good things to try to make up for all the bad things that you have done. You can't earn God's favor. You can't work your way to Heaven. You can't overcome that debt. You are hopeless, save, except for what Jesus Christ has already done for you. You see, on the cross, Jesus Christ died to pay for your sin debt. And when we take our heart and we hand it over to Jesus, and we place our lives into the hands of Jesus, we do what we call around here, we become a follower of Jesus Christ. Then God forgives us of that debt. He wipes it clean, both now and for all eternity. So if you have never trusted Jesus Christ as your leader, as your Lord, as your Savior, maybe today is your day. Look on the screen for this last verse. It relates to that kind of spiritual debt, it says, "We owed a debt," not a financial debt, but a spiritual debt, *"We owed a debt cause we broke God's law. That debt listed all the rules we failed to follow, but God forgave us, and He took away that debt and He nailed it to the cross."* I hope all of you decide to become debt free. It's going to take you maybe many years to do. But in an instant today, you can become spiritually debt free. In a moment, as we pray, you can say to God--
God, I'm handing my life over to You. I want to follow You, I want to live for You from this day forward.
Some of you are ready to do that today. And you need to do it for the first time. Let's bow our heads and pray together.