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What About Debt?

- > Some facts about debt
- > Debt paradigms
- > What God says about debt
- > A plan for dealing with debt

Some Facts About Debt

- Average household (with unpaid balance)
 had \$7,279 credit card debt in 2022
- > Average credit card rate was 21% in 2023 (or 1.75%/month)
- $> 1.75\%/\text{mo.} \times 7,279 = \$127/\text{month}$

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Some Facts About Debt

- ➤ Households with adult 65+ with any debt: 41.5% in 1992, 51.9% in 2010, 60% in 2016
- Median debt for seniors with debt was \$31,300 in 2016 more than 2.5 times the 2001 level
- Bankruptcy filings for age 55+ have doubled in last 16 years

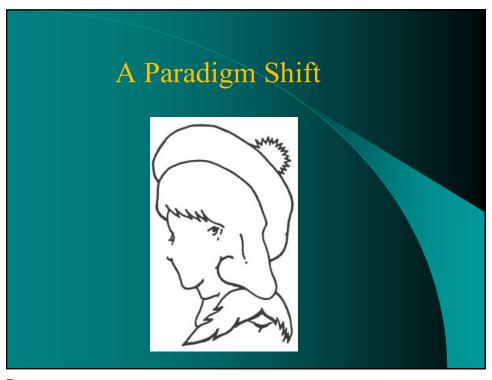
Debt Paradigms

- "Buying on credit is folly!"
 - Sears Catalog, 1910
- ➤ We haven't always had plastic:
 - ➤ Diner's Club 1950
 - ➤ BankAmericard 1958/ Visa 1976
 - ➤ AmEx 1958
 - Discover 1986
 - ➤ In 1970, just 15% of Americans carried plastic

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Debt Paradigms

- > Paradigms have changed dramatically:
 - ➤ "Use OPM to grow rich"
 - > "A 30-year mortgage is the standard"
 - "Build your credit"
 - "My credit card pays money back"
 - > "You'll always have a car payment"
 - > "You have to have a student loan"



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A Paradigm Shift

"He who spares his rod hates his son, but he who loves him disciplines him promptly."

Proverbs 13:24

A Paradigm Shift

> "The rich rules over the poor, and the borrower becomes the lender's slave."

Proverbs 22:7 (NASB)

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Shifting Paradigms

- > Vital importance of paradigms
- Motivation helps to shift paradigms
 - > The "10 minute" phone call
- > Explanations help to shift paradigms
 - > Naaman
- > Does God have a debt paradigm?

What God Says About Debt

- > Debt enslaves (Prov. 22:7)
- Co-signing is foolish(Prov. 17:18; 22:26-27; 6:1-5)
- Refusing to repay debt is wrong (Psalm 37:21)
- Paying off debt is a high priority (II Kings 4:1-7)

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What God Says About Debt

- ➤ God said Israel would be cursed by having to borrow, or blessed by being able to lend (Deut. 28:1,12,15,43-44)
- ➤ Lending is not wrong, so borrowing must not be wrong (Psalm 37:25-26)
- ➤ Lending is an act of mercy on the disadvantaged not an opportunity to take advantage (Deut. 23:19-20)

A Plan for Dealing with Debt

- > Would you like to be free?
- ➤ Why are you in debt?
 - ➤ Do you think debt is a smart policy?
 - > Are you unwilling to wait to buy stuff?
 - > Do you fail to plan for the future?
 - > Do you have no emergency fund?
 - > Are you financially careless?
 - > Have you had a series of catastrophes?

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A Plan for Dealing with Debt

- > Recognize, and address, the problem(s)
- > Get on the same page with your spouse
- Stop borrowing money!
- > Save for emergencies
- > Sell some stuff
- > Increase income
- "Debt snowball"
- Don't give up hope!
- > Pray