

"You're semi-successful, you've got a steady income, it's okay for you to be overextended. It's perfectly acceptable. Everybody else you know is." (Bill Stoneham describing the typical middle class borrowing lifestyle on the TV program, "It's Only Money.")

## Debt Leads to Lack of Creativity and Resourcefulness

In the past it was part of American ingenuity to grow our own produce, create our own tools, and even construct our own furniture. We knew, applied, and practiced these phrases: "do without," "wear it out," "make do," etc.

Nowadays, most of us do not have the resourcefulness of previous generations. Rather than taking shoes to be resoled, sewing on a missing button, or getting a small household appliance fixed, we simply replace the item.

## Debt Presumes on the Future

Every time you purchase an item on time payments you are assuring the seller that there will be no financial crisis, no loss of employment, and no unexpected expenses in your future. You

have also lowered your standard of living in that money that could be going into your wallet for other needs is now going out as interest to the lender.

Remember what James says concerning business transactions: "Listen. You say to yourselves, 'Today or tomorrow we will go to that city over there and open a business, and in the first year or so we should make a good profit.' How do you know you'll live that long?" (James 4:13-14 TCW).

If you follow these few principles along with much prayer and good common sense, your financial future will be better and less costly.

### References:

1. *The Money Diet*, Ginger Applegarth, page 71.
2. & 3. *Ten Motivating Reasons to get Debt Free*, Wilson Humber, Sound Mind Investing Magazine, December 2006, page 182.

*Distributed by:* Upper Columbia Conference Stewardship Ministries. *Director:* Bill Skidmore.  
*Produced by:* Pacific Union Conference Stewardship Department. *Director:* Gordon Botting.  
*Design/Assistant Editor:* Carol Lowe.

# The Stewpot

A potpourri of practical ideas to help you become a better steward

March 2007  
Volume 12, Issue #3



## Choose Your Debt Wisely

by Gordon Botting

A local pastor received an unusual e-mail which reads as follows: "Dear Pastor, Last Sabbath afternoon I was bored and had nothing to do so I decided to visit the local casino to see what gamblers look like and why you preach against this evil. Arriving at the 'Big Buck' casino, I hung around the 'one armed bandits' and the people playing those slot machines and soon fell into conversation with a regular gambler named Charlie. I tried to persuade him that he was wasting his money on the devil's entertainment, but he was not convinced with my biblical and common sense arguments.

"So to prove my point that you are always a loser to the gambling companies, I put ten dollars into the million dollar machine. Much to my surprise, bells began to ring, lights began to flash, and the neon sign read, 'You are the big winner of \$1 million'. Pastor, I lost the argument and became a rich man.

"So I'm writing to tell you I don't agree with all your pronouncements about this activity being of the devil, but I'm going to send our church treasurer \$100,000 for my tithe and

\$50,000 for church budget, which I know we desperately need, and another \$50,000 for student aid and the Pathfinder club.

"Pastor, actually I did not go to the 'Big Buck' casino, I did not meet a gambler named Charlie, and I did not win a million dollars. I just wanted to put in perspective the fact that I am struggling to be a faithful steward. Some months I cannot pay my regular tithe and for the last 12 months I have not put anything into local church budget, conference advance, or world

Stewardship is a total lifestyle. It involves our health, time, talents, environment, relationships, spirituality and finances.

missions. Forty percent of my income goes for our home mortgage, 20 percent for our two vehicle loans, and 15 percent on my wife's and my school debts, leaving us only 25 percent to purchase groceries and pay gas, lights, and other utilities. There is nothing left to give for God's kingdom.

"Pastor, I know this unfortunate situation is due to poor management and a misunderstanding of debt and its consequences.



Please understand that I do love Jesus and I want to share in finishing the work, but I am constantly struggling to get out of this debt pit. Please pray for me and my family."

I'm sure many of you can relate to this humorous but serious e-mail. Ginger Applegarth puts the current national debt situation in perspective in her book, *The Money Diet*, when she writes: "The problem with debt is that it can become the 'financial flu'. If you have a lot of it, you wake up in the morning feeling dragged down, and you find it difficult to focus on doing anything productive. It's hard to feel positive about life in general when you have the burden of big

monthly payments stretching out for years to come."<sup>1</sup>

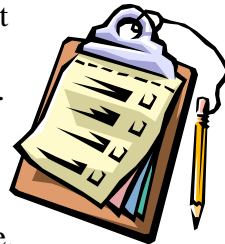
Using debt for home mortgages or school loans is not a sin, but as one author has said, it is definitely "a dangerous tool, which must be used with extreme caution due to its potential for enslaving people in financial bondage."<sup>2</sup>

Below are some motivating reasons to get debt-free this year:

### Distinguish Between Needs and Wants

Probably more families or individuals get into financial trouble over this problem than any other. If your household budget is going to work and you are going to avoid getting into debt, distinguishing between your real needs and your wants and desires is a must.

One author uses this strategy, "In our home we have what we call the 'I want list'. The 'I want list' has two rules. First, not more than five items are allowed on the list at one time. Second, we have to wait thirty days after an item is entered on the list before it can be purchased. You would be amazed



"Don't boast about what you're going to do tomorrow; you never know what might happen before tomorrow comes." (Proverbs 27:1 TCW)

how many wants and desires fade over thirty days and the amount of impulse buying that is eliminated."<sup>3</sup>

### Reduce Impulse Purchases

A second get-into-debt predicament is impulse buying, which inevitably leads you down the path of overspending. One of the simplest ways to avoid this situation is to never purchase an item that is more than \$100 without consulting your spouse or best friend (make sure they are non-impulsive buyers).



Also, asking the following questions before buying any item can help you steer clear of debt:

- Do I really need this or am I being indulgent?
- Will I need this item two weeks from now or will I need it any other time in the foreseeable future?
- Will anything terrible happen if I do not purchase this item today?

### Debt Challenges Responsibility

Debt has a way of sucking you in deeper and deeper, just like telling a small lie often leads to more and bigger lies. Beware of making plastic your lifesaver, rather than sticking to a budget and planning for future needs in a timely manner.

For example, when you exceeded your credit limit the very first time, you sweated it out until you were able to speak to a representative at your credit company. They assured you that because you have been regular in your payments in the past they would wave the penalty this time. Further, in spite of your having broken the rules, incredibly, they raised your limit on the next month's statement. And no need to worry if you don't have sufficient funds to cover a purchase — there's always the safety chute called 'overdraft protection'.