

Balanced

Week 3: Back in the Black

August 30th, 2020

OPENING PRAYER

Have someone in the group invite God's Holy Spirit into our presence. Pray for your encounter with God's Word. Ask God to open your heart and mind to some new understanding and especially to a new way of life.

SMALL GROUP GUIDELINES

~Safe Group	~Silence	~Sharing
~Confidentiality	~No Cross Talk	~Self-Aware
~Listen	~No Fixing	~"I" Statements
~Pause	~No Rescuing	~Handle Conflict Biblically

INTRODUCTION

Every time we turn on the television, answer the phone, or surf the Internet, we are bombarded with alluring offers to "spend now pay later." As a result, more and more people are piling up consumer debt. Today, the credit industry is driven by irresistible offers for unlimited credit. After all, it seems like a good deal. You get to buy stuff now with somebody else's money and then pay it off later. But there are many reasons you should avoid debt. In this session, we will touch on two of these: ***debt makes you a slave; debt limits your freedom.***

Debt Makes You a Slave

In the days of the Old Testament, borrowing meant that things were not going well for you. If you were not in a position to obtain something yourself, you would have to borrow from someone else. In Israel's case, if they would remain faithful to God, he would ensure that they would never acquire debt.

Deuteronomy 28:12 You will lend to many nations but will borrow from none.

Yet, the development of the credit industry has confused this simple concept. Today, if you've generated enough wealth, if you've shown you are responsible with your money, if your credit score is high enough, then you are invited to borrow money from someone else. As a result, by borrowing from someone else, you are exchanging your financial freedom for indebtedness.

The fact that debt makes you a slave might not be intuitive, since debtor's prison and bond-slavery are relics of the past. But throughout most of history, a debtor who couldn't pay up faced either prison or servitude. The consequences of debt are almost as severe today. Debt shackles you. It enslaves you to someone else...someone you have no relationship with...some impersonal financial organization that fails to see you as a person, but just another number to collect from. In exchange, to purchase something now, we inherit a future where debt consumes our thoughts, influences our decisions, and inhibits financial stability.

Debt Limits Your Freedom

When we don't exercise self-control, guess what? We are no longer in control. We give up our freedom, our ability to be in control. We give up the things that are most valuable to us. Similarly, when we owe people money, they own part of us. They own a part of our time, our focus, and our energy. This affects our well-being and our relationships with others and with God.

Debt enslaves us and robs us of what could be. It impacts our ability to be generous. How many times have you wanted to express generosity to another person or give to a charity only to feel like you can't because you don't have the financial margin to do so? The Bible advises us to flee from the trap of debt. This is one of those constant corrections that is crucial in order to stay balanced.

PRACTICAL APPLICATION

The Practical Application for this week requires us to get serious about getting out of debt. It is irresponsible to ignore our debts.

As Christians, we are to meet all of our obligations. So how do we do it? There are four steps we can take.

1. Pray

As your heavenly Father, God is eager to help you get out of debt. Not only does he want to help, he has the resources to do it. Pray that God will give you the wisdom and courage to take the necessary steps to get out of debt. God honors those efforts.

2. Stop incurring new debt.

You can't get out of debt if you keep going into debt. Stop the outflow. For some, this might require that you stop using credit cards and consider all all-cash system. This might seem old-fashioned, and it might be cumbersome, but it's a helpful way to break habits that have unconsciously formed over the years. When it is harder to spend money, you won't spend as much. Whether you use a debit card or cash, the point is to keep from going further into debt. As many of us have experienced, a dependence on credit cards can quickly get you in financial trouble.

3. Set up an emergency fund.

One of the reasons you have debt is because you were not adequately prepared for those unexpected expenses. Your car broke down. You had a major medical expense. Life happened. The last thing you need now is for another financial "emergency" to come along that causes you to spiral further downward. Before you begin to work on a debt repayment plan, protect yourself by setting up an emergency fund. Financial experts often suggest three months of expenses. Your emergency fund will protect you from incurring debt when the unexpected happens.

4. Begin working on a debt repayment plan.

Developing a debt repayment plan is one of the most powerful things you can do. The first step in this process is to face reality-list all your debts to see just how much you owe. To do this, fill out the Debt Repayment Plan. Begin by listing your debts from the smallest to the largest amounts (don't worry about the interest rates too much, unless one is a lot higher than the others). Then plan to pay the minimum on all your debts and the maximum you can afford on the smallest debt you owe. Though it might make more financial sense to begin attacking the debt with the largest interest rate, it is psychologically more rewarding when you begin to eliminate creditors from your list. This gives the motivation to keep going. With each payoff, roll the amount you were paying into the next smallest debt. Continue with this strategy until you are debt free!

Continue to Track Spending

You will continue to write down your purchases for the week. Later, you will come back to these, put them in categories, and then use them to analyze your monthly budget.

WEEKLY GROUP DISCUSSION:

DISCUSSION STARTER

After working through the Practical Application for this week, what is your strategy for getting out of or staying out of debt?

DISCUSSION QUESTIONS:

- **Describe your family of origin's approach to finances. Were things tight? How did they use debt? Was it a source of tension for your family?**

- **What has been your experience with debt?**
- **In what ways does debt limit your freedom? Can you give any personal examples?**
- **What makes it so difficult to get out of debt?**
- **What are the benefits of living debt-free?**
- **Is going into debt always unwise? When is it wise?**

PRAYER REQUESTS:

Pray for one another, for those that might be absent and for prayer requests.