

## DEBT and CREDIT CARDS

1. This will not be a popular message since it goes against the practice of the culture, a practice that some if not most in this church have conformed to.
  - a. I speak with respect to debt and the use of credit cards.
  - b. I myself was going along with this drift although not to the extent of some of you.
    - i. Throughout my life I have generally used cash.
    - ii. I do not remember when I got my first credit card.
    - iii. I once had a credit card at Huntington Bank and did not even realize I had earned points.
    - iv. I would use the credit card for airline fares, online purchases, and paying medical bills.
    - v. I have never paid a dime of interest on a credit card bill.
      1. I always had more than enough money to pay it off when it came due.
      2. If you are going to use a credit card, that is the best way to use it.
    - vi. I was increasing my usage for the following reasons:
      1. I figured I was leaving a paper trail anyway if I wrote a check.
      2. It was convenient to write one check at the end of the month.
      3. I could earn reward points.
  - c. But upon reading Dave Ramsey's book *The Total Money Makeover* I became convicted about what I was doing.
    - i. David Ramsey preaches against all credit card usage altogether.
    - ii. He never uses a credit card. He uses a debit card for car rental and hotel reservations.
    - iii. He does not accept credit card payments for materials sold on his website.
    - iv. I admire him for being consistent with his principles and setting an example.
  - d. I have set aside my credit card. I now use cash, or pay directly online out of my checking account, or use a debit card.
  - e. Even though I was using a credit card, I have said that I hate them and wish they had never been invented.
  - f. I am returned to the mindset that I have had from my youth when I early learned to hate debt because of my father's overmuch indulgence of it.
2. A vital exercise in spiritual growth is the process of self-examination, which can bring painful discoveries about ourselves and situations we need to address.
  - a. We should search and try our ways, the way we think, the way we act, the way we react, the way we relate to God and to others (LAM 3:40; 2CO 13:5).
  - b. Nothing in our lives is exempt from this process of self-examination (1TH 5:21).
  - c. As a minister I am to make a regular practice of self-examination to discover the dishonourable things about myself that I need to purge out so that I might be meet to be used of God in His service (2TI 2:20-21).
  - d. One of my purposes as your minister is to know and try your way (JER 6:27). Hence, this sermon.
3. We are taught to think Biblically, not culturally (ROM 12:2).
  - a. Just because something is the way of the times and the culture does not necessarily mean it is the way of the Christian.
  - b. Our behaviour reflects how we think.

4. Paul commands us to walk circumspectly (EPH 5:15-16).
  - a. Circumspectly – In a circumspect manner, with circumspection; cautiously, warily, carefully.
  - b. Circumspect – Of things or actions: Marked by circumspection, showing caution, well-considered, cautious.
  - c. Carefully consider the consequences of what you do or intend to do, not only the consequences in terms of money, but also in terms of time, energy, and testimony.
5. Although we cannot do so exclusively, we should avoid debt as much as possible (ROM 13:7-8).
  - a. Debt - That which is owed or due; anything (as money, goods, or service) which one person is under obligation to pay or render to another.
  - b. Owe - To have to pay. To be under obligation to pay or repay (money or the like); to be indebted in, or to the amount of; to be under obligation to render (obedience, honour, allegiance, etc.).
  - c. Due – That which is owing or payable, as an enforceable obligation or debt.
  - d. Does ROM 13:8 absolutely forbid all debt altogether?
    - i. If all debt is absolutely forbidden, then we could never hire anyone or anything because to do so is to incur a debt (MAT 20:1-8; ACT 28:30).
      1. Hire – *sb.* Payment contracted to be made for the temporary use of anything. (In O.E., esp. for money lent; usury, interest). Payment contracted to be made for personal service; wages.
      2. Hire – *v.* 1. To engage the services of (a person) for a stipulated reward; to employ for wages. 2. To procure the temporary use of (any thing) for stipulated payment.
    - ii. The whole workforce operates by means of the exchange of time and work for money, which means the employee owes the time and work, and the employer owes money in return.
    - iii. Scripture allows borrowing, which incurs an obligation to pay back (EXO 22:14-15).
    - iv. Even Paul pledged in writing to pay in the future any debts that Onesimus had incurred to Philemon (PHM 1:18-19).
    - v. Our Lord became Surety for a debt we owed and came into this world to pay it (HEB 7:22 with MAT 26:28).
    - vi. The context of ROM 13:8 is that of paying *due* tribute, custom, fear, and honour. This verse is violated when *due* payments are not made..
      1. To dishonestly withhold payment of debt is to defraud one’s neighbour, which is strictly forbidden in God’s law (1TH 4:6).
        - a. Defraud – To deprive (a person) by fraud of that which is his by right, either by fraudulently taking or by dishonestly withholding it from him.
        - b. Fraud – The quality or disposition of being deceitful.
      2. It is wicked to borrow and not pay again (PSA 37:21).
    - vii. Since love can never be fully paid, love is a debt we always have.
6. While Scripture allows borrowing, it is quite clear that borrowing is inferior to lending and incurs servitude.

- a. The borrower is servant to the lender (PRO 22:7). You sacrifice personal freedom by borrowing.
- b. In Israel, if you were poor and had to borrow to live, you were said to have “fallen in decay” (LEV 25:35-36). This is hardly an enviable position to be in.
- c. When Israel was blessed of God, they lent rather than borrowed (DEU 15:5-6)
  - i. As a lender to other nations they reigned over them rather than the reverse.
  - ii. What does this say for the U.S.A. which borrows huge amounts of money from China? Does this not give China power over us?
  - iii. America is a land under the load of an astronomical amount of public and private debt.
    1. “The modern American is a person who drives a bank-financed car over a bond-financed highway on credit-card gas to open a charge account at a department store so he can fill his savings-and-loan financed home with installment-purchased furniture.” *Your Money: Frustration or Freedom?* by Howard L. Dayton, Jr.
    2. The wealth of modern America is really an illusion since so much of what we have is owed for rather than owned outright.
    3. Our currency is wealth extracting and enslaving by its very nature.
      - a. Our government borrows money from the Federal Reserve Bank, a private corporation, at interest. This money is then spent into circulation. The principle that is loaned is created, but not the interest on the loan.
      - b. Hence, there is never enough money in circulation to pay back all the debt.
      - c. Since there is never enough money to pay all the debt, lenders eventually seize property that is put up as collateral for loans (foreclosures).
      - d. A debt that can never be satisfied is perpetual servitude.
  - iv. We are constantly told we are a free people when in reality we are enslaved!
    1. This illusion of wealth and freedom is deception at work.
    2. This reminds us of the Jews of Christ’s day, who did not realize that they were in bondage when they were under the Roman yoke (JOH 8:33).
    3. Behind this grand deception is Satan himself (JOH 8:44; REV 12:9).
- d. To lend is to be the head; to borrow is to be the tail (DEU 28:43-44).
  - i. Head – The anterior part of the body of an animal, when separated by a neck, or otherwise distinguished from the rest of the body; it contains the mouth and special sense organs, and the brain.
  - ii. Tail – The posterior extremity of an animal, in position opposite to the head, either forming a distinct flexible appendage to the trunk, or being the continuation of the trunk itself behind the anus.
  - iii. Is it preferable to be the part of the animal that hangs around the anus?
  - iv. This miserable condition of being the tail came upon Israel because of their moral decadence (DEU 28:45).
    1. Do you suppose the moral decadence of our country could be the reason that the nation and most of its citizens live on borrowed money?

2. Do you suppose there is any connection between the moral condition of this nation and the general use of credit cards for financial transactions?
- e. It is worth noting that the year when all debts were cancelled and mortgaged properties returned to their original owners was the year of jubile (LEV 25).
- f. The Christian is a servant of Christ and as such is to seek freedom if possible (1CO 7:21-23).
- g. Living in this society we cannot avoid dealing in debt-based currency.
  - i. When we purchase an item, we are passing forward indebtedness.
  - ii. But *within* the debt-based currency, we can pay for an item with Federal Reserve notes and walk away owing no more for that item.
  - iii. I am dealing with eliminating what *we* personally owe for our specific purchases.
  - iv. I am dealing with maximizing our personal freedom within the system as much as possible, owing as little as possible, to stay as close as possible to Paul's instructions in ROM 13:8. "If thou *mayest* be free, use it rather."
7. Most people who use credit cards spend more than they would if they were using only cash or a debit card.
  - a. The best way limit spending is to limit yourself to the cash in your wallet.
  - b. The second best way to limit spending is to use a debit card, which limits your spending to what is in your checking account.
  - c. "When you pay cash, you can 'feel' the money leaving you. This is not true with credit cards. Flipping a credit card up on a counter registers nothing emotionally. A study of credit card use at McDonald's found that **people spent 47% more** when using credit instead of cash. This is money you could have saved!" Dave Ramsey
8. "One of the greatest deceptions of our day is this...that we have been totally brainwashed into believing that being able to buy it and being able to afford it are the same thing. You see, there was a time when if you could not afford it you just didn't buy it. And we have built into us that if we can buy it, we can afford it. And there was a time when that was true, but it is not true today! With credit cards and such as this, you can buy a lot of things you cannot afford!" Dr. Benjamin Townsend
9. Proverbs 3:27-28 Withhold not good from them to whom it is due, when it is in the power of thine hand to do it. Say not unto thy neighbour, Go, and come again, and to morrow I will give; when thou hast it by thee.
  - a. This passage supports the concept of *cash on the barrelhead* or cash at the time of purchase.
  - b. When you purchase something you are charged for it, which means that right then and there you have incurred an obligation to pay for it, payment is due. Now if it is your power to pay it then, wouldn't this passage suggest you do just that?
  - c. This was the advice of the wisest man, Solomon. Do you think this advice is outdated and no longer practical?
  - d. But nowadays we have *the neighbour* (the bank or the credit card company) saying, "Go, and come again, and tomorrow give, even though thou hast it by thee."
10. Dr. Benjamin Townsend listed the following advantages of buying things *cash on the barrelhead*.

- a. It prevents borrowing from the future. Borrowing presumes upon the future. It presumes that you will be able to do something that you have no guarantee you will be able to do.
  - b. It prevents impulse buying...Most of us don't have a great deal of cash on hand to buy anything...but our credit cards give us almost unlimited buying power.
  - c. It defeats this syndrome that says, "I have to have it now."
  - d. Credit buying eliminates the joy of anticipation. Those things that I have saved for and laid aside for and gone down and bought with cash are appreciated far more than what I've bought with a plastic card.
  - e. It will give a certain peace of mind that credit buying will not do.
  - f. It will give God a chance to provide it free. Some of the neatest times that I've had in my Christian life is needing something, wanting something, and resisting the impulse to go down and charge it and just waiting to give God a chance to give it to me from unknown sources. It may be that God really wanted you to have that and wanted to give it to you. Cash spending also keeps us from having some things God didn't want us to have.
11. For myself, I love the closure of paying with cash. I'm done and have no future bill. I am disciplined with record keeping so that is not a problem.
12. Quite a few people put most if not all of their financial transactions on a credit card and pay the bill off every month.
- a. As a rule, they never put more on the card than they have money in the bank to pay it off.
  - b. They do this for the convenience of having one bill to pay, having a record of all their transactions, and for the reward points.
  - c. If, however, you ever exceed the amount you have to pay it off and end up paying interest, this should alert you – big time!
    - i. If you must borrow money to meet expenses, you are living beyond your means.
    - ii. This likely reveals a problem in self-discipline that needs to be dealt with.
    - iii. When you pay for something with money borrowed at interest, you end up paying more for the item than its original price. The longer you prolong the full payment for the item, the more you pay.
  - d. Merchants that let you pay with a credit card pay a fee to the credit card company for this service.
    - i. Of course, that fee is passed onto you the purchaser. There is no free lunch.
    - ii. In most cases, the purchaser pays this fee whether he pays with cash, debit card, or credit card.
    - iii. Some would reason that since I am paying the fee anyway, I might as well get some of it back in the reward points.
      - 1. You can be sure that whatever you are given back with reward points does not equal what you paid out in fees.
      - 2. The banks are not in the business of giving you something for nothing. They are making a profit.
  - e. Of course, the credit card companies hope you do not pay it all off at the end of the month as they will make more money that way. And don't they make it so easy for you to spend more that you have!

- f. But no matter how you slice it or garnish it, if you conduct most of your financial transactions with a credit card, you are living on someone else's money, you are a borrower, even if you have the money to pay it off at the end of the month.
  - g. Add to all this leaving paper trails for Big Brother and others to track
    - i. Debit cards also leave paper trails.
    - ii. You may say, "That does not bother me as I have nothing to hide."
    - iii. But are we wise to so freely give away our fourth amendment right to privacy?
13. The problem I have with living on credit cards, even though you pay it off each month, is the mindset, a mindset that thinks indifferently or even positively about living on borrowed money.
- a. Does it not strike you as strange that we live in a culture that encourages people to live on borrowed money, makes it convenient for them to do so, and even rewards them to do so?
  - b. Does the Scripture present debt as something convenient and rewarding?
  - c. The Scriptures describe sin as debt (MAT 6:12; 18:23-35; LUK 7:41-47).
    - i. Should we consider that convenient and rewarding which Scripture uses to describe sin?
    - ii. Do you suppose there is anyone who wants us to think lightly of that which cost our Lord so dearly?
  - d. What is to be said for a culture that encourages you to prefer being a tail instead of a head?
    - i. When you are down in Florida basking in the sunlight by the pool of that hotel where you got a room with reward points having flown down on free or cheap airfares acquired with reward points, you might think, "This is being a tail? This is being on the anus end? Looks, smells, and tastes pretty good to me."
    - ii. When you think doo-doo looks, smells, and tastes pretty good, somebody has been messing with your mind! Big time!
    - iii. For my part I would rather be the part that eats the popcorn than the part that hangs around where the popcorn is expelled.
  - e. And when the economy tanks because of overmuch debt and you have to fork out to bail out your children who followed your example in using credit cards but did not have your discipline, then just how nice is it to hang around the anus? Then it starts to stink.
14. You may say, "Pastor I never thought about this." If you have been living as a tail, that is quite understandable since the thinking brain is in the head, not the tail.
15. And, then, what does living on a credit card say to your children who learn from your example?
- a. My kids grew up with the memory of their parents flashing cash for purchases rather than plastic.
  - b. Have you taught your kids about the dangers of debt?
  - c. Have you taught your kids about the dangers of credit cards?
  - d. Do you think living on a credit card sets a good example to them?
  - e. Read the card from Jennifer.
16. I can concede incurring debt for a house.
- a. But it is not impossible to rent and save up enough to pay cash for a house, if you have the patience to do it.
  - b. But even if you take on a mortgage, I advise you pay it off as soon as possible.
  - c. In my lifetime, I have assumed two mortgages when buying a house. I paid off the second house when I was 31 years old. I have held no mortgage since.

- d. Let me correct something I used to say. I used to say that in renting you are borrowing a house and with a mortgage you are borrowing money. Since you are forced to borrow either way, then choose what works best for you. But there is a difference!
  - i. When you rent a house, you pay the rent up front. In this case, the landlord owes you the use of the house instead of you owing the landlord. In this scenario, you are the head and he is the tail.
  - ii. When you purchase a house with a mortgage, you are the tail and the bank is the head until you pay off the house.
17. We incur debt in the usage of our utilities in that we use the utility before we pay for it. When I did the *Success Plan* that Fred Hodgins used to sell, I adopted the practice of strategic pre-pay. I pre-pay my utilities so that I am the head and the utility companies are the tail. They owe me rather than me owing them. It is sweet to get a bill that says, “No payment required,” or “Do not pay.” Bills like that do not have the scent of doo-doo.
18. Here are some of the arguments registered in defense of credit card usage:
  - a. It is safer than cash. That has not been a problem for me and countless others.
  - b. There is protection with a credit card if someone steals your number and makes purchases with it. Debit cards have the same protection. If you have a savings account in addition to your checking account, you can survive until your checking account is replenished with the stolen funds. If you live on the edge, then you may have a problem.
  - c. You need a credit card to rent a car. That is true with some car rental companies, but not with all of them.
  - d. You need to use a credit card to establish a credit rating so you can buy a house. According to Dave Ramsey, if you hold down a steady job, you have a good bill payment record, and you have a sizeable down payment, you can get a mortgage.
  - e. In Canada, you cannot reserve flights and hotels with a debit card. In such a case, if you have to use a credit card, you have to. Remember, “if thou *mayest* be free, use it rather.”
19. In conclusion, if you are going to live by the motto “owe no man anything,” you are going to discharge your obligations to another as promptly as possible and you are going to avoid incurring debt as much as you reasonably and possibly can.
20. As for foregoing the convenience and reward points of credit cards, sometimes we pay a price for a principle and for me this is a principle.
  - a. The example of the Rechabites recorded in JER 35 is a sterling example of living by a principle, even though God’s law did not demand the observance of this principle.
  - b. Abraham stood on principle and found the Lord as his reward (GEN 14:21-15:1).
21. Now it is not an excludable offence to borrow money, provided you pay it back. You may choose to live the life of a tail, if you want. But just know what you have chosen and the example you are setting to your kids. But it not a choice I can in good conscience commend.
22. As for your response to this message:
  - a. I will not inquire as to what you think of it.
  - b. I will not ask you what you do or not do about it.
  - c. Please do not feel you owe me any comment on it.
  - d. If you can prove me wrong, then have at it. “If thou hast any thing to say, answer me: speak, for I desire to justify thee” (JOB 33:32).
  - e. But I would ask that you consider what I say.
  - f. I have had my say. I leave the matter between you and your God to sort out.