

FAITH &
FINANCE

MICAH
COMMUNITY CHURCH

FREEDOM from Debt

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Debt In The UK

- Average debt per UK household - **£67k**
- Average credit card debt - **£2.6k**
- Total unsecured debt per adult - **£4.3k**
- **13 properties** a day repossessed everyday between Jan and Mar 25
- Borrowers paid **£231m a DAY** in interest in April 25
- Average student debt in England was **£48k**
- Average credit card interest rate is **24.65%** - **20.4% above the base rate in May 25**
- Average interest rate for an overdraft was **38%**
- **48%** of UK households had no or savings below **£1.5k**, for single parents it rises to **82%**



What is Debt?

- Debt is money or resources that you **owe**
- Credit is an **agreement between a lender and a borrower** that allows the borrower to obtain funds, goods or services and **repay them later usually with interest**
- Credit is using money now that you **haven't earned** with the assumption that *you will be able to pay it back later*
- Credit score is a number which indicates how good you are with handling credit – how you service the debt
- Lending money is a **business**
- **Consumer debt** – credit cards, personal loans, payday loans, car loans, overdrafts
- **Strategic debt** – mortgages, business loans, machinery leases etc
- The only Good debt *is no debt!*



“The borrower is slave to the lender”
Proverbs 22:7

NIV



What does the Bible say about Debt?

- Debt is **slavery** – Proverbs 22:7
- The Mosaic Law had rules around debt
 - **Interest wasn't to be charged to Israelites**, especially the poor – Exo 22:25
 - If a cloak was used as a guarantee, it's to be **returned by the end of the day** – Exo 22:26
 - Every seven years, **debt was cancelled, including the return of slaves** – Duet 15:1-2
 - Every fifty years, **the land** and slaves were returned to their owners – Lev 25:10
- **Repay your debt** – Romans 13:8, Psalms 37:21

“One day the widow of a member of the group of prophets came to Elisha and cried out, “My husband who served you is dead, and you know how he feared the LORD. But now a creditor has come, threatening to take my two sons as slaves.”

“What can I do to help you?” Elisha asked. “Tell me, what do you have in the house?”

“Nothing at all, except a flask of olive oil,” she replied.

And Elisha said, “Borrow as many empty jars as you can from your friends and neighbors. Then go into your house with your sons and shut the door behind you. Pour olive oil from your flask into the jars, setting each one aside when it is filled.”



"So she did as she was told. Her sons kept bringing jars to her, and she filled one after another. Soon every container was full to the brim!

"Bring me another jar," she said to one of her sons.
"There aren't any more!" he told her. And then the olive oil stopped flowing.

When she told the man of God what had happened, he said to her,
"Now sell the olive oil and pay your debts, and you and your sons can live on what is left over."

2 Kings 4:1-7

NLT



What does the Bible say about Debt?

- The prophet had taken out credit but hadn't repaid, and under the Mosaic law, the creditor was entitled to **take his sons** to repay the loan.
- You could pray to God every day and not hear the **whole counsel of God**
- To get out of debt, sometimes you need help from your friends!
- There wasn't miraculous debt cancellation! God wanted her to experience the **outworking of the miracle**
- God provided the increase when she **obeyed the word of God**
- She still had to **work to repay her debts**, but now she had the resources to do it
- She had to **live within her means**
- God **walked with the widow** through her debt problem – he gave **spiritual and practical advice**



“Guard your heart above all else, for
it determines the course of your life”

Proverbs 4:23

NLT



Why Do We Get Into Debt?

- How you manage your heart, the seat of your emotions, **mainly determines your financial future**
- Everyone **develops a money story** which is tied to their lived experience
- Having **low self-esteem or being insecure** can lead to unwise decisions regarding debt
- Emotionally unhappy and using possessions and **money to fill a hole**
- Historical and peer pressure to have the **symbols of wealth rather than waiting and working** for it
- **Laziness**
- The desire to be **rich, and covetousness**
- **Lack of contentment** with yourself and your situation in life
- This is **Spiritual warfare** because Satan will use the above to **keep you in debt**, which hinders you from fully engaging with God.



Freedom from Debt!

- **Be honest** with your financial situation – Eph 4:25
- **Repent and ask for forgiveness**, and God's wisdom and strength to manage his resources
- Create and **live within a budget** – Luke 16:11 (untrustworthy with worldly wealth)
- List out **all** your debts
- Start with the **smallest debt** and pay the minimum on the rest
- Within your budget, **make room for savings** – try to get to **£1k**
- Make room for **giving**
- **Don't go back** into long-term debt – Proverbs 22:7

“The thief does not come except to steal, and to kill, and to destroy. I have come that they may have life, and that they may have *it* more abundantly.”

John 10:10

NKJV

“Is anyone among you sick? Let him call for the elders of the church, and let them pray over him, anointing him with oil in the name of the Lord. And the prayer of faith will save the sick, and the Lord will raise him up. And if he has committed sins, he will be forgiven. Confess *your* trespasses to one another, and pray for one another, that you may be healed. The effective, fervent prayer of a righteous man avails much.”

James 5:14-16

NKJV