



# Getting Out of Debt

Debt doesn't have to be the end of you. Here's how to regain your financial freedom.



## Getting Out of Debt

Debt doesn't have to be the end of you. Here's how to regain your financial freedom.



Click on an article you'd like to read:

### **3 INTRODUCTION: GETTING TO KNOW DEBT**

I never understood the real problem with debt until it got me in its grip.

*By Caryn Rivadeneira*

### **6 LEADER'S GUIDE**

How to use "Getting Out of Debt" for a group study.

### **7 VANISHING ACT**

What can we do when our money disappears?

*By Jim Killam*

### **14 WHY IT PAYS TO BE CHEAP**

Unwise spending almost ruined Mary Hunt—until she discovered the secret to minding her money.

*By Linda Piepenbrink*

### **28 GOD'S VIEW OF DEBT**

There's a reason being in debt causes stress. God never wanted us to live this way.

*By R.J. Rushdoony*

### **32 SURVIVING THE SPLURGE**

How to get out from under debt—and stay out!

*By Katrina Baker*

### **40 BACK FROM THE BRINK**

When massive debt and a life-threatening medical crisis hit her uninsured family, financial expert Deborah McNaughton was forced to follow her own professional advice.

*By Ginger Kolbaba*

### **53 SHOULD WE TITHE WHEN IN DEBT?**

Should a family tithe if it would put them in a financial bind?

*By Dave Ramsey*

### **56 ADDITIONAL RESOURCES**

Books to help you further.



Introduction

## Getting to Know Debt

I never understood the real problem with debt until it got me in its grip.

*By Caryn Rivadeneira*

**T**wo years ago, I had no real concept of what debt felt like. With the exception of a mortgage and a small car loan, we lived entirely debt free—quite smugly, I might add. When I'd hear the statistics about the amount of credit card debt most Americans carried, I'd cringe, wondering, *Why don't they just spend less? When will people ever learn to live within their means?* As a natural-born saver, I had no problem building in emergency funds and cushions that I thought kept you from debt. If we didn't have money for something like new furniture or clothes or whatever the item, I could easily (and self-righteously) go without it. I thought living debt-free was a piece of cake if you followed my solid principles.



## Getting Out of Debt

### Getting to Know Debt

But then we entered our *annus horribilis*—to quote Queen Elizabeth—financially speaking at least. In our horrible year, massive medical bills wiped out our carefully planned cushions, and reduced income didn't allow us to create any new ones. Suddenly, we found ourselves faced with bills we couldn't pay; and if the doctors weren't willing to set up payment plans, onto the Visa they went. So much for my smug attitude! Suddenly I understood how quickly the bills can rack up.

But the worst part of our horrible financial situation that year was that it somehow managed to dampen what was otherwise a terrific time—the birth of our second child. That's the problem with debt. No matter what your reason for being in it, the suffocating power of debt manages to destroy many good things in our lives—from marriages to feelings of self-worth.

That's what I love about this survival guide. As you read through it, you'll hear stories of men and women who've managed to escape debt's stranglehold and come out better for having lived through it. No matter how much debt you're in right now or how bad it feels, there is a way out. This guide will help you find it.





## Getting Out of Debt

### Getting to Know Debt

One note: Throughout this guide, a lot of numbers are thrown out as to how much money people were in debt. These numbers are essentially irrelevant, as one certain amount of money may be huge to one person and insignificant to another. Or vice versa. Just remember that debt—no matter the amount—has the power to stifle your life. And the people you read about were desperate for the same financial freedom you seek now.

Blessings!

*Caryn Rivadeneira*

Contributing Editor, KYRIA downloads,  
Christianity Today International



# kyria

Leader's Guide

## How to use "The Getting Out of Debt" for a group study.



**"G**etting Out of Debt" can be used for individual or group study, but if you intend to lead a group study on this, some simple suggestions follow:

- 1. Make enough copies for everyone in the group to have her own guide.**
- 2. Depending on the time you have dedicated to the study, you might consider distributing the guides before your group meets so everyone has a chance to read the material. Some articles are quite long and could take a while to get through.**
- 3. Alternatively, you might consider reading the articles together as a group—out loud—and plan on meeting multiple times.**
- 4. Make sure your group agrees to complete confidentiality. This is essential to getting women to open up.**
- 5. When working through the "Thought Provokers" be willing to make yourself vulnerable. It's important for women to know that others share their experience. Make honesty and openness a priority in your group.**
- 6. End the session in prayer.**



## Vanishing Act

What can we do when our money disappears?

*By Jim Killam*

**H**i, I'm Jim, and I'm a financial nincompoop.

I make a decent salary. We live in a nice house, have plenty to eat, dress well, and go on vacation every year. We don't live extravagantly. So how come we never get ahead financially? And how come new expenses—such as jacked-up car insurance because our oldest son has started driving—have thrown us into a tailspin?



## Getting Out of Debt

### Vanishing Act

If you can't relate to any of this, set this article aside and light another cigar with a \$100 bill. But I suspect our financial life isn't much different from yours. We're average, and though we don't look it, we're basically broke.

My quest to get a handle on our family's finances led me to two money experts: Neil Atkinson, author of *The Shrewd Christian: You Can't Have It All, but You Can Have More Than Enough*, and Dave Ramsey, syndicated radio talk-show host and author of several best-selling books about mastering money. Both agree that financial pain can be a good thing if it forces you and your spouse to look seriously at your finances for the first time in ... how long?

Here are two of their "magic money" secrets revealed. While neither step promises to be pain-free, both will help you reclaim your financial life.

#### **Secret I: Get out of debt**

Many couples are financially paralyzed by credit card debt and car loans. They make only minimum payments and have given up the idea that they'll ever crawl out of the hole. They're one missed paycheck or unforeseen expense from disaster.

"They have said to themselves, 'We will forever be a slave to bankers,'" Neil Atkinson says. "Their spirit has been broken. They have a sense of hopelessness and helplessness."

While this seems a no-brainer, if you want more money, you need to wipe out debt—for now, everything except your mortgage. In *The Total Money Makeover*, Dave Ramsey offers this advice:







## Getting Out of Debt

### Vanishing Act

- **Stop borrowing.** Destroy your credit cards and don't get more. Keep a debit card for times when you need a credit card (hotels, car rentals, online purchases). It works like a credit card but you can't spend money you don't have.
- **Create a \$1,000 rainy-day fund.** Sell stuff, put off unnecessary purchases, cash in a CD, do whatever it takes. Set aside the money as untouchable except in case of a real emergency (example: the alternator on your car goes out and costs \$300 to replace).
- **Find ways to temporarily increase your income—** maybe a weekend or evening job. "Wait a minute," you say. "Won't that harm our family life?"

Ramsey can answer that one from experience. About 15 years ago, he and his wife, Sharon, went bankrupt. Today he calls it the worst and best thing that ever happened to them. They learned all they could about money and transformed their lifestyle to get out of debt as quickly as possible. That meant extra work and, for Dave, limited family time for a while.

"I told my wife, 'Okay, Baby. For a year I'm not going to be at a dance recital or a baseball game. It's going to cost me a year of that to clean this up. But I'll never miss one again after that if I don't want to.'" Sharon agreed. Their family was under such stress from the debt load they carried that it was worth that sacrifice. Today they're thankful they did.

- **Spend less. Way less.** "You can moderate spending, or you can slash it to the bone and pretend your children's lives depend on your getting this mess cleaned up," Ramsey says. Watch the grocery bill.





## Getting Out of Debt

### Vanishing Act

Eat out less often. Reduce your driving. Divert every dollar you can toward attacking debt.

- **Sell the car you owe the most money on.** Buy something used, reliable, and much cheaper, with no more than an 18-month loan. (And don't even think about leasing!) Rather than make a car payment to a bank, put the same money into a cookie jar for a year, and you'll have enough to pay cash for a decent car until you can afford an even better one.
- **Make minimum payments on all but your smallest debt.** Send as much money as you can to that one each month and pay it off as quickly as possible. Then take what you were paying toward that loan and aim it at the next-smallest. And so on. The reason for taking on the small debts first is that you'll see progress and stay motivated.

"If I see that it's going to take me 10 years and 7 months to get out of debt, it's hard to stay energized," Ramsey explains. "If it's 24 months, I can grab hold of that. That's a dream I can live."

Ramsey even encourages couples, once they've conquered credit cards and car loans, to tackle the big one: their mortgage. If you have a 30-year loan, either refinance to a 15-year loan or pay extra principle so you treat it like a 15-year loan.

There's one expenditure, however, that should never be sacrificed to pay off debts. You may be searching for extra money to throw at credit cards or auto loans for a few months. And then you hear a voice in your head: Suspend tithing for a few months. That's a big





## Getting Out of Debt

### Vanishing Act

chunk of cash. And after all, won't you be able to honor God more with your money once you're debt free?

"Twenty-two times in Proverbs alone it says that the tithe is 'first fruits' or off the top before you do anything," Ramsey points out.

Atkinson adds that part of mastering your money is learning to be generous with it. A couple can accumulate an emergency fund, get rid of their credit cards, pay off their cars. "But if they aren't being generous back to God, they're missing out on the best part—developing their relationship with the Lord," he says. "When a couple tithes, they develop a better relationship with God, and he'll bless them. Maybe not financially. But finances are the least of the Lord's blessings."

#### **Secret 2: Have a plan**

Outside of some major medical bills, there are few real financial surprises. "It shouldn't be shocking that we need an umbrella sometimes because it rains," Ramsey says. "Kids grow up, people get sick, and cars break." For Ramsey, that means having a budget. He calls it the "whip and chair" to make your money do what you want it to.

Atkinson, on the other hand, doesn't think budgeting is the answer for couples who've never had the discipline to create one, or for whom budgeting has been a never-ending series of stops and starts.

"Budgets don't work," he says. "They're like diets. Budgets are great for engineers, attorneys, accountants—people who are disciplined. For the normal Christian middle class, budgets will work for





## Getting Out of Debt

### Vanishing Act

a little while. But it will drive them crazy—they'll have too much in one thing, not enough in another, so they'll borrow to make it up, and the cycle begins. Then they just chuck it all and go back to their earlier patterns."

Atkinson believes budgets aren't necessary if couples are tracking: setting aside time together each week to follow carefully how they spend money. They'll quickly spot and slash the frivolous, stupid things for which they received no real value ("We spent how much on a singing fish that hangs on the wall?"). He and his wife, Margie, also never spend more than \$25 without the other person's permission.

A financially struggling couple told Atkinson they didn't eat out very much. But when asked to count, they realized they'd eaten out 13 times in the past 15 days. They didn't remember because there was nothing special, no value. It was just part of their busy pattern and it met an immediate need.

Once they discovered this, the couple ended up spending the same or less money to go out on two date nights a week to restaurants with tablecloths and silverware. The evenings are planned, they're fun, and they bring value because they help build a relationship. But for them to make that change, it took stepping back and looking at every dollar spent.

Either way, with a budget or without, couples need to be on the same page. "When you can come into agreement on your spending, you reach a level of unity in your marriage that you reach no other way," Ramsey says. "Now you've agreed on your priorities, your dreams, your goals, your fears."





## Getting Out of Debt

### Vanishing Act

This financial nincompoop and his wife can back that up. We now spend an hour one evening a week tracking expenses and anticipating "surprises." For the first time in a long time, we have a plan. We've accounted for every incoming and outgoing dollar. We're spending less and getting more value when we do spend. Best of all, we're closer than ever, because we're doing all this planning together. That's a pretty good investment.

*Jim Killam is co-author of When God is the Life of the Party (NavPress) and Rescuing the Raggedy Man (Xulon Press).*

*This article first appeared in the Winter 2004 issue of MARRIAGE PARTNERSHIP.*

## Reflect

- *How might this plan for getting out of debt work for your situation?*
- *Atkinson says that "part of mastering your money is learning to be generous with it." What has been your practice of tithing and giving? How could you be more generous with what God has given you?*
- *Atkinson also says he doesn't think budgets work. Does that shock you? Why or why not?*
- *How might not having a budget help you?*





## Why It Pays to Be Cheap

Unwise spending almost ruined Mary Hunt—until she discovered the secret to minding her money.

*By Linda Piepenbrink*

On a Saturday afternoon 16 years ago, a young mother of two small boys sat, weeping in despair, at the kitchen table. She feared her compulsive overspending would end her marriage and lead to foreclosure on their home. *How could I have racked up thousands of dollars in debt?* she agonized, not realizing it was even worse than she thought. She later discovered her bills totaled more than \$100,000.



## Getting Out of Debt

### Why It Pays to Be Cheap

Today that woman is 50-year-old Mary Hunt, founder of *Cheapskate Monthly*, a newsletter she started in 1992 that now reaches 20,000 subscribers in the U.S. and Canada. Her simple dollars-and-sense advice—based on biblical principles and her Christian faith—has landed her guest spots on dozens of national and regional television talk and news shows, including *Oprah*, which resulted in the sale of more than 100,000 copies of *The Best of Cheapskate Monthly* (St. Martin's Press). In all, she's written eight books in the last four years, such as *Cheapskate in the Kitchen*, *Debt-Proof Your Holidays* (both St. Martin's), *The Complete Cheapskate*, *Tiptionary*, and *The Financially Confident Woman* (all Broadman & Holman). She also answers financial questions monthly in *Single Parent Family* magazine and has her own interactive website, [www.cheapskatemonthly.com](http://www.cheapskatemonthly.com).

A former spendthrift, Mary now enjoys life as a "cheapskate," a person who, according to her definition, gives generously, saves consistently, and never spends more money than she has. Next to her computer, a glass jar filled with cut-up credit cards serves as an ever-present reminder of how far Mary's come from the uncontrolled spending that once consumed her life. In this interview, Mary reveals the financial folly and false notions that nearly destroyed her, and how God's grace has changed her life and motivated her to help others live within their means.

#### **How did you get so deeply into debt?**

For me, it started long ago with an attitude of the heart. I grew up as a preacher's kid in Spokane,





## Getting Out of Debt

### Why It Pays to Be Cheap

Washington, and accepted Christ when I was about five years old. Somewhere along the line, I got the message that if I just had more money, I'd be happy. With an older sister and two younger brothers, we lived frugally. But I felt very poor—and I was embarrassed because I had to wear hand-me-downs. My siblings never struggled the way I did. Perhaps it was because I was a sensitive, sad, lonely child, and my parents didn't know how to help me. I thought being rich—and marrying a rich man someday—would not only give me the things I wanted, like a house with a white picket fence, but would make me happy. So when I left in 1966 for Los Angeles Baptist College (now the Masters College) to get a music degree, I started getting in trouble with money.

#### ***What kind of trouble?***

I got a part-time college job and opened a checking account. Then I went with my rich roommate to a shopping mall. Knowing I only had a couple bucks in my account, I got a wild idea: What if I wrote a check to buy some clothes right then—and deposited the money in my account a few days later after I got paid? I figured no one would find out because I'd do it just once—and I'd be closer to my dream of getting what I'd wanted as a child.

#### ***Did the check bounce?***

That one didn't, because I deposited the money before the check cleared. But I started thinking it was okay to have things today that I couldn't afford to pay for until tomorrow. I didn't even call it debt. To me it was just smart money management. I didn't live lavishly; I just spent a little more than







## Getting Out of Debt

### Why It Pays to Be Cheap

I had. Looking back now, I realize that this faulty thinking was luring me toward materialism and away from God. By the time I graduated from college, I'd bounced a lot of checks and had to close four accounts. Sure, I paid fees, but I quickly justified any guilt by saying I was a college kid—that nobody in college had money, so you had to do what you had to do.

#### *What happened after college?*

I married Harold, a banker! As I walked down the aisle in June 1970, I felt fabulous because I finally got my man, a banker who'd take care of the things I couldn't handle—money and car troubles. It never crossed my mind that I needed to reveal my money struggles to him.

A couple weeks after we married, we applied for our first credit card—a Texaco gasoline card. I could get "free" gas anytime I wanted. I no longer had to feel embarrassed buying one or two dollars of gas with the change I found in the sofa. It felt great to fill up the tank, rotate the tires, and still have money in my pocket—that is, if I had any. I was young and living on the edge. Soon we signed up for another gasoline credit card, and another, and another, because the cards had to be paid off every month.

I also began collecting department store charge cards, but even more significant for me was the day Harold was promoted to middle management. Along with his benefit package, he received a shiny new, just-introduced Mastercharge (now MasterCard) with a \$300 limit. Well, it was as though they'd just handed me 300 bucks! And unlike the gas companies,





## Getting Out of Debt

### Why It Pays to Be Cheap

they only required a small monthly payment on the balance.

#### ***Did you always carry a balance?***

Yes, but I was in denial—and I neglected to tell Harold or to record the checks I wrote. That way, he couldn't track my spending. I realize now that I took advantage of his tendency to be unobservant. I could buy new shoes and all but redecorate the entire house, and he wouldn't notice.

But our communication started breaking down. We didn't talk about money except for those horrible times about once a month when Harold would call me or come home from work, frustrated, and say, "Do me a favor"—that's when I knew it was coming—"if you're going to spend money, just write it in the checkbook. I'm the bank manager, and I'm going to lose my job because my checking account is bouncing!"

I'd cry, say I was sorry, and promise I'd never do it again. I really did mean it, but at that point I wasn't scared enough to change my behavior. Consequently, there was never enough money to pay the bills. So we paid the ones we had to and lived on credit cards the rest of the month.

#### ***What happened next?***

I left a job I had at Mattel Toys and worked two years as a secretary for the Air Force until our son Jeremy was born on April 11, 1974. Joshua came along on Sept. 30, 1975. Since both Harold and I had good jobs, credit companies didn't turn us down. So we bought a house. But I continued to spend more than we made.





## Getting Out of Debt

### Why It Pays to Be Cheap

I wanted to make sure my children never felt sad or deprived, as I had as a child, so I went overboard, throwing great birthday parties and buying them nice clothes and every single thing they wanted.

After leaving the Air Force, I had to use my retirement benefits to get us caught up on bills. *Phew!* I thought. I won't let that happen again. We hadn't paid off our debts, mind you. We simply had caught up so our bills weren't 90 days behind. To me, being current was as noble as getting completely paid off.

#### ***Were you attending church at this time?***

Oh, yeah, we taught Sunday school and looked like the perfect Christian family from the outside. But no one had a clue what was really going on. I was trying to fill my deep need for contentment with earthly things that don't bring long-term satisfaction, instead of developing my relationship with God. I didn't trust God to take care of my needs; I trusted Visa and MasterCard.

Since real estate in Southern California was booming in the 1970s and early 1980s, our house appreciated like crazy. Since I expected to sell our house for at least—and I truly believed this—\$10 million when we retired, why restrict myself now? That money would take care of us and pay off all the debts. And then, I figured, I could give the church a big gift, like a grand piano, instead of tithing now. I had big dreams for Christian stewardship, but I never fulfilled them. We just continued living grandly—eating out a lot, buying the best clothes, and keeping up rich appearances in front of our friends and family.





## Getting Out of Debt

### Why It Pays to Be Cheap

#### ***Were you happy?***

No. By 1982, we were deeper in debt. We'd moved into a nicer, bigger house in Orange County, which meant we had to buy more stuff for it. So we'd pulled more equity out of the house to pay our ever-mounting bills. I tried different part-time jobs, freelance businesses, and get-rich-quick schemes, but nothing helped much.

Finally, Harold and I talked about him pursuing some kind of self-employment. "After all," I said, "we can't live on just a banker's salary." As an entrepreneur, I thought we might be able to make more money to meet our bills.

#### ***Did you have a business in mind?***

No, but Harold had become friends with a couple bank clients who drove a Mercedes and deposited a lot of cash every day.

One evening when we visited one of the men's homes, I thought, *Wow! I could really get into this lifestyle and these cars.* That night they offered us financial freedom and wealth through multilevel marketing—they told us we could be millionaires within a year. All we had to do was borrow \$22,000 to set up our company.

So in April 1982, our heads filled with happy visions of the future, Harold quit the bank job, and we went into what turned out to be a very sleazy business—merchandising poor-quality stuff and hiring people to peddle it on the street at high prices. Until we got into it, we didn't realize how deceitful we'd have to be with our employees—teaching them to call plastic luggage imported llama-skin. But it was too late to get out—we had too much invested in it.





## Getting Out of Debt

### Why It Pays to Be Cheap

It turns out those guys had come from Florida to fleece people. As soon as we got our operation up and running, they disappeared—and we had no money for our next house payment. It was the most frightening time of my life—not to mention the guilt we felt for scamming people.

By August 1982, we lost our business. I became very worried about my husband. Within four months, he had gone from being a respected banker with a great future to being completely unemployed and unsure what to do next. I felt it was my fault; he'd never have left the bank if I hadn't pushed him to start a business. Harold, to his credit, didn't blow up or blame me. He's truly a gentle man. But we still didn't talk about our money situation—we were too scared.

#### ***What finally compelled you to change?***

On September 17th, 1982, I went to my in-laws' house to get away because I was distraught over our money situation. Although I didn't know yet how much I'd racked up in credit card and department store debts, I knew we were in way over our heads. And worse, I realized I'd been deceptive and manipulative in order to have things my way. I'd all but destroyed my husband's life with my drive for wealth. I thought, *How could he stand to stay with me?* I became terrified that he'd leave me when he found out how bad our situation really was.

So that day I fell on my face before God on the kitchen floor and wept brokenly. I promised God I'd do anything in the world to get out of debt. Bible verses about stewardship came to mind, and I knew then that to honor God and get on the right track we had to give God





## Getting Out of Debt

### Why It Pays to Be Cheap

a portion of our income—even while we were in debt—and that we had to start saving, too. If he ever blessed me with another dollar, I'd do things his way.

#### ***Did you tell anyone what had happened to you?***

No, I was too embarrassed. But 10 days later, I got a phone call from a guy I'd known in the real-estate industry; he offered me a job in commercial property management and sales. I took it, worked hard, and God blessed my efforts. I began to make good commissions and built a clientele while Harold, who was in midlife crisis, stayed home with the kids.

Three years later, in 1985, Harold joined me in opening our own industrial commercial real estate company. But this time we were giving to God first, saving a portion, then doing everything we could to reduce our expenses and start paying back our debt.

#### ***How did you start getting out of debt?***

We stopped going out to eat all the time, which means I learned to cook! We labeled our expenditures as optional or essential, then started whacking away at the optionals. And it worked! Believe it or not, the more we cut, the more fun we had figuring out new ways to spend less money. And that improved Harold's and my communication. By 1991, we were down to \$12,000 in debt.

I was learning—the hard way—that God wants the first part of everything, and that he blesses those who obey him. How could I demand that he meet our needs if I wasn't willing to obey him? As a result of my experience, I'm convinced that giving away money and saving money are the antidotes for overspending. They





## Getting Out of Debt

### Why It Pays to Be Cheap

produce a lasting feeling of well-being and satisfaction that spending money can never satisfy long-term.

#### ***How have you experienced lasting satisfaction?***

In September 1991 my pastor challenged us to break out of our Christian circle and impact those who didn't know him. Moved, I told God, *If there's anything you can salvage in my life, I'm available.* A couple weeks later, I was encouraged again with another sermon, based on Ephesians 3:20: "Now to him who is able to do immeasurably more than all we ask or imagine..."

My pastor gave everyone a bright yellow card printed with that verse and the words "Let God Stretch Your Imagination." I posted it right by my office telephone and read it every day, asking God to stretch my imagination. That's when I decided to write a newsletter called *Cheapskate Monthly*. At first I was going to use a pen name so I wouldn't have to reveal my embarrassing secret. Then I discovered that by sharing my story, I could help the many people who were in the same boat—or even worse off than I was. God has brought such a great response that *Cheapskate Monthly* now takes up all but one tiny corner of the office where our real estate business is! And the whole family's involved. Harold is the business manager, our sons help out with product orders and answering phones and mail, and Harold's parents visit each month to help print the newsletter.

#### ***While climbing out of debt, did you ever splurge?***

Oh, absolutely. It took us until 1995—13 years in all—to pay off our debt. You don't heal from materialistic urges overnight, so we made stupid mistakes. One time we built an above-the-ground swimming pool in the





## Getting Out of Debt

### Why It Pays to Be Cheap

backyard. I wrote a check for it, then kicked myself later because it was money we desperately needed to use elsewhere. And I didn't immediately quit using my credit cards on that day in the kitchen in 1982. But I never forgot my promise to God to pay back every dime. And even though we took three steps forward, took two steps back, we kept going.

#### ***Did you consider filing for bankruptcy?***

No, because even then I didn't believe bankruptcy was an alternative to paying off debts. In fact, now I encourage those who have already filed for bankruptcy to go back and repay their debts later, should they make money in the future.

The Bible has a lot to say about money and how we take care of it. I love Proverbs 30:8–9: "Give me neither poverty nor riches, but give me only my daily bread. Otherwise, I may have too much and disown you and say, 'Who is the Lord?' Or I may become poor and steal, and so dishonor the name of my God." And it's so true that "the borrower is the slave of the lender." There's nothing worse than being a slave to Citibank or knowing that Mastercard owns you.

#### ***Shopping used to tempt you. Do you ever shop at the mall now?***

Knowing my weakness for material items, I don't put myself in the vulnerable position of wandering through the mall. Instead, I carefully plan my purchases and limit the amount of stores I visit.







## Getting Out of Debt

### Why It Pays to Be Cheap

#### ***How have you dealt with the pressure from your kids to buy things they want but don't need?***

We never had that problem, because from the time our sons turned 10 years old, we made them responsible for their own finances. We gave them \$50 once a month—the money we would have spent on their "extras" anyway. With that money, they had to pay for all optionals—birthday parties, Sunday school outings, school events—everything but food and shelter. We required them to give away 10 percent and save 10 percent. Then they could live on 80 percent. By age 16, both of them had saved enough money to buy their own cars.

As a child, I had no money to learn to manage. We wanted our sons' experience to be different. We knew it would be far better for them to learn money lessons in the safety net of our home than out on their own in the world.

It didn't mean watching them learn was easy. It was hard to see my kids turn down movies with friends when they couldn't afford it. But in the process, they learned to be discerning—that to say yes to a future car meant they had to say no to some more immediate things.

Every year we increased our kids' salary a little. By the time they were in high school, they were responsible for their own gas, car insurance, clothes. Imagine my surprise when, after buying expensive clothes for them in our early years, Jeremy came home and showed me the great clothes he got at Goodwill for 25 cents. Then I knew he obviously had caught the value of a dollar.





## Getting Out of Debt

### Why It Pays to Be Cheap

#### ***What would you tell someone who thinks more money will solve her problems?***

So many people believe that if they just have enough money, they'll be happy. But I say, folks, it's not going to happen. The worst years of our lives were the years we were making the most money. We've learned that it's not how much you make; it's what you do with what you get.

It is hard to change the way you handle money and stop living on credit. I know—I've been there. But God, in his mercy and grace, has taken my mistakes and turned them into a life lesson for others to learn from. So as painful as my money struggles were, I wouldn't trade them for anything.

*Linda Piepenbrink is the former managing editor for TODAY'S CHRISTIAN WOMAN. This article first appeared in the May/June 1998 issue of TODAY'S CHRISTIAN WOMAN.*





## Getting Out of Debt

Why It Pays to Be Cheap

### Reflect

- *Mary Hunt says, "As a result of my experience, I'm convinced that giving away money and saving money are the antidotes for overspending." Do you think she's right? How would this kind of money management help curb frivolous purchases?*
- *In what ways is being in debt being a "slave to Citibank"? What freedoms are limited by debt?*
- *Mary believes God has taken her money struggles and turned them toward the good. How might God change your current financial situation into something good?*



## God's View of Debt

There's a reason being in debt causes stress. God never wanted us to live this way.

*By R.J. Rushdoony*



**D**ebt is for the Christian a violation of the commandment, "Owe no man anything save to love one another" (Rom. 13:8). Debt rests on covetousness, a desire to possess what our neighbor has, even though we lack his means. As a result of covetousness, the slave desires to possess a home, car, furnishings, and clothing that she sees the wealthy possessing, and the means of securing these things is *debt*. St. Paul declared, "But godliness with contentment is great gain. For we brought nothing into this world, and it is also certain that we can carry nothing out. But having food and clothing, let us therewith be content" (1 Tim. 6:6, 7).



## Getting Out of Debt

### God's View of Debt

The covetous person goes into debt to gain added power—purchasing power, prestige, resources, and other forms of visible might. The result is indeed an increase of power, but it is short-term power purchased at the price of long-term disaster. The debtor sees perpetually additional goals, new increases of power possible through debt, and as a result plunges ever more deeply into slavery. Debt is a way of life, a covetous way of life and a form of slavery. The eventual outcome of a debt-economy is bankruptcy.

The short-term power, however, is impressive. The debtors themselves are profoundly impressed by this power, and hence they ascribe to the greatest debtors the greatest power. They believe, moreover, whenever they become aware of the pinch of debt, that the evil is in the moneylender, not in themselves for having lived covetously. As a result, they begin to rant against "the hidden money power," and often amass data concerning it. The grains of truth concerning the money establishment obscures the grim reality that debtors create this money-establishment, and the real evil is covetous living, not banking, however erroneous modern principles of banking may be.

The perspective of those who concern themselves about the "money-trust" is thus a very faulty one. They believe in the triumph of evil, and they fail to see the basic evil as debt, as covetousness. Such people would outlaw banking, a legitimate activity, instead of forsaking covetousness. Money-lending is not a sin; slavery is a fact of life, and the debt-slave cannot blame a man who honestly and legitimately lends him money. The Bible recognizes such a transaction as





## Getting Out of Debt

### God's View of Debt

legitimate; the slave is not outlawed by God, but is merely regarded as a person whose way of life is a very limited one. The biblical law makes provision for the slave who wants slavery; it simply insists that he publicly acknowledge what his way of life is, an act of will (Ex. 21:1–6).

The believer who avoids debt declares thereby that he refuses to be a slave, refuses to be covetous, acknowledges that the earth is the Lord's and man also, and, therefore, that life can be lived only in terms of God's law. The Christian cannot mortgage himself or his future: it is God's, not his own. In terms of this faith, and this way of life, power returns to the Christian man, whose loss of freedom and of power began with a loss of faith and that covetous mind which is the mainspring of debt-slavery. The beginning of true power is always obedience to God.

*This article first appeared in the April 1, 1987, Money in Christian History issue of CHRISTIAN HISTORY. It was reprinted from R.J. Rushdoony's book, The Politics of Guilt and Pity (Thoburn Press).*





## Getting Out of Debt

### God's View of Debt

## Reflect

- *How is debt a result of covetousness?*
- *How does thinking of debt as covetousness change your view of using credit cards?*
- *What power does spending, and going into debt, give you? How does that power change over time?*



## Surviving the Splurge

How to get out from under debt —  
and stay out!

*By Katrina Baker*



I stared at our credit-card bill in amazement. *Did I really spend that much money last month?* I recognized several transactions for Christmas gifts, but I didn't remember making all those purchases. As I scanned the itemized statement, I realized some things I'd bought I hadn't even used yet! Other purchases were for eating out—the food was gone before it was paid for. Farther down the statement, I recognized many of the vendors' names as the titles of mail-order catalogs I love to browse. I guess I was doing more than browsing.





## Getting Out of Debt

### Surviving the Splurge

I sighed as I remembered my New Year's resolution: Spend less money. Luke 12:48 reminded me, "From everyone who has been given much, much will be demanded." Although our family wasn't rich, we did have more than many people in this world, and I knew God expected me, as the bill-payer in our family, to manage our money responsibly. I realized I'd disappointed him by being a poor steward of the resources he'd given me.

I decided right then things had to change. I had to pay off this credit-card bill. But the deeper issue was my need to change a lifetime of habits. How could I put a stop to uncontrolled spending?

Through conversations with other women and time in prayer, I've discovered several basic yet effective strategies to get my spending under control. To be honest with you, it's not always easy. I'm still often tempted to spend with abandon. But by consistently focusing on the following techniques, I've been able to curb excess spending and get on the path to reasonable financial management.

#### **Remove Temptation**

First Corinthians 10:13 tells us God always provides a way of escape when we're faced with temptation. Coming to terms with the truth of this verse showed me one of the most effective ways to stop spending: If I remove the temptation to spend, my money's more likely to stay in the bank where it belongs!

For me, that "way of escape" meant tossing out catalogs before I looked through them. I avoided eBay and blocked the home shopping channels from





## Getting Out of Debt

### Surviving the Splurge

my television as well—no more flipping through and "accidentally" seeing something I just had to have.

Kathy, a pastor's wife and mom of three, told me, "When Mark and I first entered the ministry and I knew we wouldn't have a lot of money, I decided I'd never go shopping just to look." Since following this policy, Kathy's been able to avoid buying something for which she and her husband haven't planned.

Examine your spending habits to discover the ways you're tempted to spend. Then do your best to eliminate those temptations. You may have to steer clear of the warehouse club for a while if that land of plenty tempts you to buy too much. Or maybe you need to turn down invitations to those home party shows—where you usually buy something just to avoid hurting the hostess's feelings. Wherever you're tempted to spend, look carefully for your "way of escape."

### **Cut Up Those Credit Cards**

Romans 13:7–8 commands us to "give everyone what you owe him. ... Let no debt remain outstanding." But many of us, myself included, find it too easy to allow credit-card balances to go unpaid indefinitely, leaving us not only with the original obligation but the additional debt of finance charges.

Several years ago, my friend Kari and her husband, Joel, found themselves over their heads in debt. They barely could meet the minimum payments on their high-interest credit cards, and the debt continued to grow year after year. Eventually, they decided to take out a consolidation loan at a low-interest rate to pay off their credit-card debt once and for all. Then they





## Getting Out of Debt

### Surviving the Splurge

cut up their credit cards and limited themselves to cash, their debit card, or a charge card that required full payment each month. Even though it was difficult, they resisted the temptation to buy things on credit, and within two years, they were free from consumer debt.

I admit that I, too, became addicted to credit cards after initially saying I'd use them "for emergencies only." Now I leave the credit card at home in a drawer where it can't be used. According to Mary Hunt, Christian financial expert and author of *Debt-Proof Living*, "When you shop with cash, you're a different kind of consumer. You compare prices. You think twice."

#### End Impulse Buying

We've all done it. You go into a store to buy one item—and you come out with ten things you didn't realize you "needed." Or you're out buying your child's birthday presents, and you've just checked off the final item on your to-buy list when the newest Elmo toy practically jumps off the shelf to grab your attention. You throw it into the cart, thinking, *One more toy won't hurt*. The trouble is, those impulse purchases wipe out your budget.

When it comes to impulse buying, retailers are not your friends. As you stroll through the supermarket, you'll notice enticing items located conveniently at eye level. Your friendly McDonald's clerk invariably asks, "Would you like fries with that?" They know that if they can plant the idea in your mind, you're more likely to follow through and buy something you hadn't planned on.





## Getting Out of Debt

### Surviving the Splurge

How can you put an end to impulse buying? First, always shop from a list. Never enter a store "just to see what they have." My friend Lisa always makes a list of exactly what she's looking for. "My goal is to cross off each item, not to browse down every aisle," she says.

Second, when presented with an enticing impulse purchase, impose a waiting period on yourself. Proverbs 31:16 tells us of the wise woman who "considers a field and buys it." Notice how she thinks about the purchase before she spends the money. No matter how badly you think you need something, force yourself to wait a predetermined amount of time. At the end of that waiting period, if you still feel you need the item, then consider buying it. My sister, Joye, and her husband agreed long ago not to purchase any item that costs more than \$50 without first consulting each other and waiting 24 hours. They've found these guidelines have enabled them to pass up many impulse splurges.

#### **Identify Your Weak Areas**

To get your spending under control, you have to know what you're most likely to spend money on. Mary Hunt says, "Most of us don't have a clue where all the money goes. Tracking your spending is the only way to discover all the money leaks."

When I analyzed our cash flow, I found two major leaks: entertainment and books. I love to eat out, and I love to browse the bookstore and emerge with a bag full of new books. I knew that to cut back on spending, I needed to get creative.





## Getting Out of Debt

### Surviving the Splurge

To reduce my book spending, I dug out my seldom-used library card and learned all about interlibrary loans. My sister-in-law, Cinnomin, uses another great method. She sells any new books she buys to a used books shop when she's done reading them. In return, she receives credit at the store and can obtain slightly used books "free."

In the area of entertainment, I found that restaurants don't mind at all if my husband and I share an entrée. We never finish two full meals anyway, and sharing cuts our bill almost in half.

Identify the areas where you tend to overspend and find creative alternatives. If you go crazy at the clothing sales rack, try shopping at second-hand stores. Do you find yourself buying lots of toys for your kids? Check out local garage sales. Some of my son's favorite toys cost only 50 cents!

#### **Find a Financial Accountability Partner**

Because I pay the bills in our house, I was able to keep all the credit-card statements hidden from my husband, Chad. He didn't know how much credit-card debt we had (translation: how much money I'd spent) until I confessed to him out of overwhelming guilt. I knew I couldn't go on like that. I wanted to be like the woman in Proverbs 31:11, whose husband had "full confidence in her." But no matter how many practical strategies I implemented, I wasn't strong enough to stop spending without some accountability. My husband agreed to hold me accountable for every cent I spent.

I was surprised at how well this method kept me in line. Before buying a new item, I thought, *I'm going to have to*





## Getting Out of Debt

### Surviving the Splurge

*tell Chad about this, and he'll ask why I bought it when we already have so much stuff. And he'll be right.*

My friend Shelah recently was convicted by Hebrews 12:1: "Therefore, since we are surrounded by such a great cloud of witnesses, let us throw off everything that hinders and the sin that so easily entangles, and let us run with perseverance the race marked out for us." After she asked God to show her any areas in her life that interfered with him using her, Shelah felt God showed her that her spending habits displayed a lack of stewardship, and indeed were becoming a hindrance to the direction in which he wanted her to go. To help her get back on track, Shelah now has a friend ask her a simple question each time they meet: "Have you spent and saved your money in a way that pleases the Lord?"

Find someone who will hold you accountable for all your spending. It may be your spouse, a parent, or best friend. When choosing an accountability partner, select someone who will:

- Understand how important it is to you to improve your spending habits and financial responsibility.
- Keep your spending habits in the utmost confidence.
- Be an encourager, not a critic.
- Ask you the hard questions, such as, "Are you sure you didn't buy something that you haven't told me about?"

When I receive our next credit-card statement in the mail, I know I'll be able to open it without dread. Only planned purchases will be on it, and we won't have incurred any new debt we can't pay off. I'll be able





## Getting Out of Debt

### Surviving the Splurge

to show this statement to my husband without guilt. We'll have stayed within budget, and might even have a little extra left over. It will be a great feeling—and you can have it, too!

*Katrina Baker, a freelancer writer, lives with her family in Pennsylvania.*

*This article first appeared in the January/February 2003 issue of TODAY'S CHRISTIAN WOMAN.*

## Reflect

- *What are some of your weak areas when it comes to over-spending?*
- *The author talked about tossing out catalogs. What steps could you take to shore up your defenses in those weak areas?*
- *Whom do you know that might be a good financial accountability partner?*
- *How might that person help your financial situation?*



## Back from the Brink



When massive debt and a life-threatening medical crisis hit her uninsured family, financial expert Deborah McNaughton was forced to follow her own professional advice.

*By Ginger Kolbaba*

**P**ersonal financial coach and credit expert Deborah McNaughton will be the first to tell you money doesn't buy happiness or health. And she knows from personal experience. Deborah's been financially successful (she and her husband, Hal, owned three real-estate companies in her home state of California) and she's been in debt to the tune of \$300,000—all while running Professional Credit Counselors, a service she founded in 1984 to help people restore their finances. But while Deborah, 52, readily admits she was an expert





## Getting Out of Debt

### Back from the Brink

on helping others manage their debt problems, she'd never experienced financial hardship herself. That was, of course, before she and Hal incurred massive debt, canceled their medical insurance, and then almost lost their youngest daughter, Mindy, then 14, to a life-threatening illness.

During Deborah's "trials by fire," she wondered where God was and why he'd allowed this to happen to her family. Yet through it all, she discovered God was providing, comforting, guiding—and, not so surprisingly, using her experiences to transform her into a more empathetic financial expert. "Been there, done that," Deborah now affirmatively says.

Today Deborah has written more than a dozen books and financial manuals, including *The Get Out of Debt Kit*, *The Insider's Guide to Managing Your Credit* (both Dearborn), *Financially Secure: An Easy-to-Follow Money Program for Women*, and *Ms. Entrepreneur* (both Thomas Nelson). She runs numerous national and international seminars and writes a free monthly financial online newsletter ([www.financialvictory.com](http://www.financialvictory.com)). Deborah's also a spokesperson for the Debt Relief Clearing House ([www.debtreliefonline.org](http://www.debtreliefonline.org)) and is considered an authority on credit and finances by such heavyweights as *The New York Times* and *Your Money* magazine. But what makes Deborah such a respected expert is her ability to make eye-glazing financial concepts relatable to the nearly 40,000 laypeople she's counseled.

In this interview, Deborah discusses how she and her husband dug their way out of debt, how they almost lost their daughter, and how she discovered a better way to help others with their personal finances.





## Getting Out of Debt

### Back from the Brink

#### ***You're a financial expert, yet you were \$300,000 in debt. How did that happen?***

In the early 1990s, when the economy took a downturn, Hal and I sold two of the three real-estate franchises we owned and operated. We invested what little money we received in another real-estate partnership that unfortunately never got off the ground.

Then we followed some bad advice from our accountant. He suggested we sell our third office with a buy-out option. In other words, if the buyer wanted to get out of the deal after a year, he could get back all his money. Hal and I didn't like that idea, but the accountant pushed for it, so we did it. Of course, the economy went further south and the buyer wanted his money back in cash. But we'd already invested those funds in the other real-estate company that never got off the ground. So we had to come up with more than \$100,000. We ended up getting loans and dealing with tax issues. Plus we had about \$50,000 in credit-card debt—most from our business, but also some personal, because we were broke.

#### ***As owner of Professional Credit Counselors, you had your own credit-card debt?***

Right. Until that point, Hal and I were able to take care of the balances each month. But our real-estate losses hit us quickly. Our incomes dropped 70 percent; we were surviving solely on what Professional Credit Counselors was earning. Suddenly we were \$300,000 in debt—once you added all the interest on the loans, the late fees, and the surcharges.





## Getting Out of Debt

### Back from the Brink

#### ***So you suddenly found yourself on the brink of financial disaster.***

Yes. While I worked in real estate, I did extensive research to help my clients with their credit. That knowledge helped me found Professional Credit Counselors. But I never thought I'd face some of the hurdles my clients faced! We were getting hit left and right. We had creditors calling us, and there was absolutely nothing we could do. It was just a matter of survival.

When you're that far in debt, you don't wake up one morning and it's all okay. The bill collectors and the IRS were not going away. I knew enough to realize I needed to keep open communication with our creditors, even though I couldn't pay them anything.

#### ***Where was God in this?***

God always provided what we needed to survive. We never had our power turned off. We always had a place to live and food to eat. We always were able to continue tithing on what little income we did have.

Several times girlfriends who didn't know what I was going through would invite me out to eat, their treat. One time our utility bill was due and we didn't have the money to cover it. At the eleventh hour, I sold one of my business manuals, which covered the bill. It was as if God were saying, *You're going to be okay. I'm here.* Something always came through when we needed it, but it wasn't going to pay the loans or the credit-card debt. Hal and I had created that monster.





## Getting Out of Debt

### Back from the Brink

#### ***What do you mean?***

We created our mess. We could have blamed everyone else for it: The creditors did this; the IRS did that. But we knew we'd done it to ourselves.

I spent hours praying for God to give us wisdom to know how to deal with each situation that arose. I also prayed that he'd give us ideas on how to pay this back. But if I needed \$10, I never prayed for \$10. I didn't pray for sums of money. I said, "Lord, help. You know the need." And that survival money always arrived right on time.

#### ***Did you have a plan to reduce your debt?***

We did—it was waiting for the next big deal, which never happened! In the meantime, Hal and I decided to cancel our medical insurance because we were healthy. It was an extra expense we just couldn't afford.

Just 30 days later, the unimaginable happened. Our youngest daughter, Mindy, had to have emergency brain surgery and almost died. God's hand was on Mindy every step of the way. I felt God had healed her. But then the bill came! A \$50,000 medical bill in addition to our other financial problems.

#### ***So you owed \$350,000 at that point?***

Yes, but two miracles happened. The first was that Mindy survived the surgery. The second was that the hospital had a special program for trauma children. We learned several weeks later that Mindy qualified for the program. It covered the whole bill.

#### ***One hundred percent?***

One hundred percent. This trauma center informed us that because of the special nature of Mindy's case and the level of our income, we'd be charged a





## Getting Out of Debt

### Back from the Brink

reduced amount. Then one day, they called and said, "Mrs. McNaughton, we're waiving the amount." I don't understand how it happened except to say God was watching out for us. But in the meantime, we experienced another trauma.

Hal's father had loaned us some money to pay our survival bills—the house, utilities, food—that Hal had deposited into our bank account. During the week Mindy had her surgery, the IRS swooped in and took out all our money. I thought I'd made an arrangement with them, but I didn't get it in writing. So we arrived home to find all our bank accounts had been cleaned out.

#### ***What did you do?***

I called the IRS. I broke down, cried, and explained what had happened that week and that they'd taken money loaned to us just to survive. The woman I spoke to was sympathetic. She said, "I'll return all your money except \$100." That's why it's important to communicate with your creditors. If I hadn't communicated with her, nothing would have happened.

#### ***That seems like another miracle.***

Well, I needed that, because as Mindy recovered, my grandmother broke her arm in the nursing home. Since I was the only family close by, I had to take care of her. Then my mother had to have surgery. My husband got violently ill and had to be rushed to the emergency room. Everything happened in a six-week period. I thought, *What more can happen?*

#### ***Enough is enough!***

Exactly. I wailed at God, "What's happening here? I can't take one more minute. Where are you, God?" After





## Getting Out of Debt

### Back from the Brink

I cried myself dry, I opened my Bible. Here's what I read: "Then you will call, and the Lord will answer; you will cry for help, and he will say: here am I" (Isaiah 58:9). I'd asked, "Where are you?" And God said, "Here am I." That was all I needed; I just needed to know God hadn't left me.

#### ***How did your life change from that point?***

After all this happened, Hal and I said, "We've got to make some changes. We have no insurance. We have a child who just had brain surgery. She's going to need follow-up medical care." Hal decided to go to work for someone else as a financial planner. They had group insurance—and they took Mindy.

And I decided to take the advice I'd given others through my Professional Credit Counselors!

#### ***Did you ever feel hypocritical being in debt and still running Professional Credit Counselors?***

Yes and no. Sometimes I wondered, *What would people think if they knew I was going through this?* But I also realized it was a poor economy and we had made poor choices.

Our game plan was to take bits of money, contact creditors, and negotiate with them. We finally got everything paid off, but we were in debt for about six years.

#### ***I didn't know you could negotiate with creditors!***

You can. Creditors know getting something is better than nothing. They realize you could file for bankruptcy. So I'd contact the creditor and say, "Okay, I have this much money. I can settle this with you and have it to you by the end of the month." Then they'd take it or leave it. Typically, creditors will work with you—but you can't be





## Getting Out of Debt

### Back from the Brink

late or default. You even can contact the IRS to do what's called an offer in compromise. They'll work with you on a payment schedule or reduce the original amount owed. Hal and I saved about two-thirds on some of the debts.

#### ***How were you able to do that?***

They negotiated on a reduced settled amount. We had tax specialists advising us to file for bankruptcy. I'm glad we didn't. We got the majority of the debts settled—and kept our credit and financial reports clear. Many times people file for bankruptcy because creditors are intimidating them. That's the worst reason to do it. People don't realize when you file for bankruptcy, it's on your credit report for 10 years. I didn't want that.

#### ***You're now debt-free?***

We're debt-free.

#### ***What advice would you give other women in debt?***

Stay focused. Make a plan to get out of debt. Seek advice from a debt management company that will negotiate with creditors on your behalf to lower your interest and your payments. I learned through this hardship that things can get better. God will give you the wisdom and strength you need. And once you're on the other side, you'll have a ministry! God's been able to use my experiences, because now I can empathize with women struggling under the weight of debt.

#### ***How can women protect their finances?***

Learn how to balance a checkbook. That sounds so simple, but you can't believe how many women don't know how to do that. Start putting aside money.

What you don't know can hurt you. If you're married and your spouse handles your finances and he dies, for instance, not only are you mourning your loss, but now





## Getting Out of Debt

### Back from the Brink

you're stuck with a checkbook you've never balanced, bills you've never had to pay, retirement, investments, and life insurance you know nothing about. And what if your husband put you into debt? You're now responsible for that, too. It's enough to push you over the edge. You don't have to read all the books, but at least communicate.

#### ***But what about the single woman who feels fairly confident financially?***

Want a good wake-up call? Contact Social Security and find out how much you'll be paid upon retirement. Can you live on \$500 a month? Probably not. When you discover you're hardly going to make anything, you'll start putting money aside.

And there are so many different ways you can save money! A lot of people think they can't pull out one more dime. Well, married or single, journal all your expenditures.

So if you buy a Coke, write it down. You write: "Coke: \$1.25." Do this for 30 days. Make columns. This is for my Cokes. This is my coffee. Fast food. Clothes. Gasoline. Every dime you take out of your ATM, write it down. When you total the columns, you'll be surprised to find out how much you've spent. Hal and I have done this when we're trying to strengthen our budget. It's helped us see what we can cut back on.

#### ***What if you're married and you want to journal, but your husband isn't interested?***

Do it without him. One problem married couples have is tracking ATM withdrawals, because if it's a joint account, whoever's taking care of that checkbook needs to have all the withdrawal slips.







## Getting Out of Debt

### Back from the Brink

I had a woman tell me her husband takes money from the ATM for gas and miscellaneous things but never gives her the receipts, so they're always short about \$300 a month. If he forgets to give you the receipts, go online or call your bank's hotline and check your account every few days.

#### ***Once you tally your expenditures, then what?***

Open an emergency-only savings account and start depositing. Or talk to a financial planner who can give you direction on mutual funds or money market accounts for the amount of money you can invest. If you give them the goal, they can put the plan together. If it's to retire by the time you're 65 and you're 35, they can calculate how much you need to save per month.

#### ***Shouldn't we trust God to supply our needs?***

You're good. I think we should wait until the money tree grows in the backyard. [Laughs] When Hal and I were going through hard times, I can't tell you how many times I hoped I'd wake up to find a tree with money on it!

Seriously, if you're short on money, find a way to create money. A lot of professions don't pay a lot. So you have to live within your means. It's not God's fault if you live outside your means, go into debt, and don't save for retirement; it's your fault.

#### ***How can we cope with unsettling economic times?***

The first thing is not to panic. Pray God will give you a peace to walk through the storm and to come up with a plan quickly. Make an extra effort to tithe. In Malachi 3:10, God says, "Bring the whole tithe into the storehouse. ... Test me in this. ... and see if I will not





## Getting Out of Debt

### Back from the Brink

throw open the floodgates of heaven and pour out so much blessing that you will not have room enough for it."

Concentrate on paying your survival bills first—your home, utilities, food. After you've paid these, go to the next mode—credit cards, car. But you have to put everything in the right order. If you mess up and pay your creditors first because they're screaming the loudest, you're going to take food from your children, you're going to have utilities turned off. Creditors can be ferocious, but try not to let them rankle you. I know, I've been there.

***Do you think you're now better able to help other people who are encountering tough financial times?***

Absolutely. What you've gone through becomes your ministry.

There were so many times I'd think, *If this is going to help somebody, I'll go through it. I won't like it, but it's okay.* If I hadn't experienced that debt, or if God had simply wiped it all away, I couldn't minister to others who are experiencing financial hardships. And the same goes for what happened to Mindy. God's used those experiences to help me understand the pain others feel.

***What else have you discovered?***

God is faithful. He's proven himself to me again and again. I've learned never to lose faith; even when the reports might be one way, God has his own report.

Psalm 37:5 says, "Commit thy way unto the Lord, trust also in him; and he shall bring it to pass" (KJV). And





## Getting Out of Debt

Back from the Brink

2 Corinthians 12:9 says, "My grace is sufficient for you, for my power is made perfect in weakness." Those verses have sustained me many times. During times when I wonder, *Why do these things happen?* God reminds me that his grace is sufficient.

I look back over my life—the different developments that were so tragic at the time—and I see how God's using those things to better me and to help other people. He's grooming us to reach out to others. Everything we go through in life is a stepping stone to who God's perfecting us to be.

*Ginger Kolbaba, managing editor of MARRIAGE PARTNERSHIP, lives with her family in Illinois.*

*This article first appeared in the March/April 2003 issue of TODAY'S CHRISTIAN WOMAN.*





## Getting Out of Debt

Back from the Brink

### Reflect

- *How does advice given from someone who's experienced such massive debt seem? More believable? Less trustworthy?*
- *Deborah takes full responsibility for their debt. How easy is it for you to accept responsibility for your debt—even in trying circumstances?*
- *How does taking responsibility affect your plan to get out of debt?*





## Should We Tithe When in Debt?

Should a family tithe if it would put them in a financial bind?

*By Dave Ramsey*

**Q:** *Should a family tithe when it would put them in the situation of needing a miracle to make it through the rest of the month, or should a family get its debt under control and then tithe?*

**A:** A tithe is a tenth of your income, which is a biblical mandate that the Christian church has taken to heart (Deut. 26:1–19). But there's no place in Scripture where it says not tithing will send you to hell.



## Getting Out of Debt

### Should We Tithe When in Debt?

The question is, what's the best thing to do and why does God have us tithe? Is it because he needs our money? No. He tells us to tithe because of what it does inside of us. It keeps us from being so stinking self-centered that we think the world revolves around us. And by being a little less self-centered, we're better humans. We're a little more Christlike when we're giving. But God doesn't need your money.

Should you tithe on your income if you need a miracle to get through the rest of the month? Honestly, if you can't live on 90 percent, it's unlikely that you can live on 100 percent.

If you sit down and do a monthly, written budget, you can probably find a way to tithe if it's important to you. I'm not going to guilt-trip you. Pray and read the Bible and let God speak to you on this. But this point is clear: The Bible doesn't say wait until you get your debt under control; it says tithe—first fruits off the top before anything else.

*Dave Ramsey is the bestselling author of **Total Money Makeover** and host of a nationally syndicated radio show. For more information, visit [www.daveramsey.com](http://www.daveramsey.com).*

*This article first appeared in the January/February 2006 issue of TODAY'S CHRISTIAN.*





## Getting Out of Debt

Should We Tithe When in Debt?

### Reflect

- *What priority does tithing have in your life?*
- *Does it make sense to you that you would tithe even while trying to pay down debt? Why or why not?*



## Additional Resources



**Free and Clear: God's Roadmap to Debt-Free Living** by Howard Dayton (Moody Publishers, 2006; 224 pages; \$9.99) Overwhelmed with debt? There is hope and freedom for you no matter how big your problem. The way out from under debt is not a declaration of bankruptcy, but surrender to the Word of God. Becoming debt-free may seem an impossible dream for many, but it is actually an attainable goal according to Howard Dayton, president of Crown Financial Ministries. He overcame his own struggle with debt by applying God's principles to managing his finances, principles he lays out in this practical, encouraging book.





## Getting Out of Debt

### Additional Resources

**Debt-Proof Your Marriage: How to Achieve Financial Harmony** by Mary Hunt (Baker, 2004; 288 pages; \$9.99) Mary Hunt's successful *Debt-Proof Your Marriage* is now available in paperback. In this highly practical book, Hunt helps couples learn the principles of acceptance, freedom, safety, and honesty in money matters. This book covers everything couples need for managing their money harmoniously. Hunt's essential guide will help couples protect both their marriage and their money. With the interactive workbook, it's also ideal for small group study or pre-marital counseling.

**How to Manage Your Money: An In-Depth Bible Study on Personal Finances** by Larry Burkett (Moody, n.d.; 160 pages; \$11.99) A finance workbook and Bible study in one! Burkett reveals God's *true* definition of wealth and guides you in applying biblical principles that result in financial stability. Discussion questions and Scripture references help you develop short- and long-range plans; avoid the burden of debt; handle surplus funds; and more. For groups and individuals. 160 pages, softcover from Moody.

**No Debt, No Sweat!: Catching Up, Getting Ahead, and Enjoying Life** by Steve Diggs (Broadman & Holman, 2004; 384 pages; \$14.99) This book shows Christians how to free themselves from the bondage of financial pain. It is written for people who are financially sound and looking for investment strategies as well as people who are in financial turmoil and need a successful plan for getting out of debt. Author Steve Diggs discusses some very serious issues, with a style that is humorous and





## Getting Out of Debt

### Additional Resources

upbeat. His focus is biblical, while his approach is confessional. This book will teach readers that overspending is frequently a spiritual issue—often trying to fill the holes in our hearts with stuff. Yet, upon closer examination, readers will see that these holes are shaped exactly like Jesus—and nothing else will fill them.

**Keys to Financial Freedom: Strategies for Debt Free Living** by Dennis Leonard (Legacy Publishers, 2003; 192 pages; \$14.99) Financial insecurity is the #1 cause of stress, loss and breakdown in families and relationships today. In this day and age, many people have been forced to build their financial future on the shifting sands of an unstable economic landscape. Even more, people cannot plan for the future because they must operate from month to month, paycheck to paycheck. For them, life is a constant struggle to make ends meet. They live in a place of "just barely making it". Many people want to be blessed. They want to have more than enough. But few are willing to pay the price. Financial freedom does not just happen, it is a choice. In this new book, Dennis Leonard outlines useful, practical insights that will empower you to achieve your financial success—just as they have for him. Discover the strategic keys that will empower you to prosper, ignite the faith that moves mountains, and change the direction of your life.





## Getting Out of Debt

### Additional Resources

**How to Get Out of Debt and into Praise: God's Plan for Your Financial Freedom** by James Meeks (Moody, 2001; 128 pages; \$7.99) Money is a spiritual issue. The failure to handle it properly can impede the vitality of our relationship with Christ and others. Reverend James Meeks offers this practical manual to help believers obtain freedom from debt so they can properly love and serve others in need. Exhorts people to get out of debt and encourages them that it's possible. He gives readers a definitive method to get out and stay out of debt. Readers will be encouraged that it's possible and inspired to achieve it.



A NEW DIGITAL WORLD FOR THOUGHTFUL,  
INFLUENTIAL WOMEN WHO WANT MORE  
FROM THEIR FAITH AND WHO WANT TO  
MAKE A DIFFERENCE IN THE LIVES OF OTHERS.

# kyria

CHOSEN IN CHRIST  
CALLED TO INFLUENCE

BECOME A MEMBER OF  
KYRIA.COM AND RECEIVE:

- FULL ACCESS TO **HUNDREDS OF THOUGHTFUL ARTICLES** ON SPIRITUAL FORMATION, MISSIONAL LIFE, AND WOMEN'S MINISTRY
- THE **MONTHLY** KYRIA DIGIZINE
- CONNECTIONS WITH A COMMUNITY OF INFLUENTIAL CHRISTIAN WOMEN
- 20% DISCOUNT ON ALL OF THE **DOWNLOADABLE RESOURCES** IN THE KYRIA STORE

A ministry of  
**Leadership**

CHRISTIANITY TODAY  
INTERNATIONAL

»Join [Kyria.com](http://Kyria.com) today!