



Life After Debt

Adapted from “Curing Recession Depression” series by Rod Loy

We have become a nation of servants to financial institutions. The thinking and spending patterns in our financial life about credit and debt need to change. Consider the following article which details what effect debt has on us.

It’s unclear who first said “Money can’t buy happiness.” Whoever it was, they probably weren’t staring at a tall stack of bills and an empty checking account. Money can’t buy happiness, but it is the only thing that will pay those bills. Doing that may not trigger an endorphin rush of happiness, but it sure beats the alternative.

It’s hard to imagine anyone feeling joy over not paying their bills. Perhaps there is a psychiatric condition that causes people to enjoy bankruptcy proceedings, but nobody’s found it yet. Having enough money to pay all our bills allows us to provide for our families, plan for the future and enjoy our leisure time. Not having money restricts our choices and wreaks emotional havoc on our psyche. Borrowing money to pay those bills leads to debt, which can lead to all sorts of problems that have nothing to do with accounting and everything to do with psychology.

A study of 33,720 U.S. households published in the January 2016 edition of *Psychology Science* found that those with higher levels of unemployment were more likely to purchase over-the-counter pain killers. That wasn’t particularly surprising, but a research team discovered that simply thinking about the prospect of financial insecurity was enough to increase pain. People reported feeling almost twice as much physical pain after recalling a financially unstable time in their life compared to those who thought about a secure period.

It’s rare for someone to never have money problems. Trouble happens, jobs disappear, marriages fail, people get sick, their homes lose value and bills just keep piling up. No one is immune.

“Scripture quotations are from the ESV® Bible (The Holy Bible, English Standard Version®), copyright © 2001 by Crossway, a publishing ministry of Good News Publishers. Used by permission. All rights reserved. May not copy or download more than 500 consecutive verses of the ESV Bible or more than one half of any book of the ESV Bible.”



Debt and stress are like co-joined twins. The average U.S. household with credit card debt has balances totaling \$16,748, and the average household with any kind of debt owes \$134,643, according to a 2016 Nerdwallet study.

Conversely, 72% of Americans said they felt stressed about money, according to an American Psychological Association study. And 22% said they felt “extreme” stress over their finances.

So what exactly is “stress?” The term was coined by endocrinologist Hans Selye in 1936, who defined it as “the non-specific response of the body to any demand for change.” In modern financial terms, that means you hyperventilate when the Visa bill arrives. Stress may be hard to define, but it manifests itself in obvious ways – lack of sleep, loss of focus, nagging worry. It can affect big things like your job, since you fear losing it would make your financial situation even worse. It can affect small things like lunch, since you feel guilty for ordering a \$2.19 iced tea instead of water. You don’t need an endocrinologist to tell you that’s no way to live.¹

¹ Bill Fay, “The Emotional Effects of Debt,” Debt.org, May 1,2017, <https://www.debt.org/advice/emotional-effects/> (accessed July 31, 2017).

COURAGE

C1: What do you believe about credit card debt? Add up how much credit card debt you have. What could you do in your life if you did not have this debt?

C2: Credit card companies will spend millions of dollars marketing their credit cards to high school and college students. What does this say to you about credit cards and the companies they represent? Set a breakfast or lunch date with each of your children and teach them about credit card debt.

C3: How do you know if you have a problem with credit cards? Take the following quiz. Write “Yes” or “No” to each question.

- I have taken a cash advance from our credit card to make a payment on another.
- I am not sure how many credit cards I have.
- I am not sure exactly how much I owe.
- I dread going to the mailbox or I hurry to the mailbox so my spouse will not see the credit card bills.
- I am making only the minimum monthly payment.
- I pay my credit cards on the final day I can.
- I am optimistic that one day all of this debt will be gone, but I don’t have a plan.
- When it comes to money, I am on an emotional roller coaster.
- Credit card debt is causing significant strain on my marriage.
- I play the “balance transfer” game – transferring balances from one credit card to another in order to avoid payment.



If you answered yes to two or more questions, you have a credit card issue. What do these results speak to you?

STRENGTH

S1: Many households engage in deficit spending which is when more money goes out than what comes in.

- Do you practice “deficit spending”?

- Write out a plan to improve.

S2: Ignorance of your financial condition is a recipe for financial disaster. Read and answer the following.

Proverbs 24:13 (ESV)

Proverbs 18:13 (ESV)

- From these verses, what should you do to escape debt slavery?

- Do a personal financial inventory.
 - What do you own?

 - What do you owe?

 - What do you make?

 - What are my fixed bills?

- What can I live without?

S3: If you are in a financial mess, you need someone smarter than you to help get you out of your mess. Read and answer the following.

Proverbs 20:18 (ESV)

- From this verse, why should you never make a major financial purchase without getting good financial advice?

- On a scale of 1-4, with 1 being very well and 4 being not very well, rate yourself on how well you seek financial advice when you make major purchases.

ENDURANCE

E1: Figure out where your money is going. For one month, write down every dollar you spend. After a month, make a budget for your family and you.

E2: If you want to be prosperous, you must have a good plan. If you want to get out of debt, it takes a plan. Read and answer the following.

Proverbs 21:5 (ESV)

- Write out your plan to get out of debt.

E3: There are exceptions, but most of the time, the simple reason you are in debt is because you spent more than you made. Read and answer the following.

Hebrews 13:5 (ESV)

- From this verse, what is the key to adding no new debt?
- On a scale of 1-4, with 1 being very content and 4 being not very content, rate yourself on how content you are with your situation. Write out a plan to improve.