**Steps to Financial Success**

Tip #3: MAKE A COVENANT WITH GOD TO DECLARE A MORATORIUM ON ADDITIONAL DEBT

*Interest is one expense you can live without*

“The borrower is the slave of the lender” (Proverbs 22:7).

Why is debt such a big deal? That question has both a spiritual and a practical answer. The spiritual answer can be found in this text, “The borrower is the slave of the lender” (Proverbs 22:7). When you are in debt, that debt owns you and distracts you from spiritual concerns. On the practical side, interest on your debts eats away at your resources. (If you aren’t convinced, look at the statements from your lenders and add up how much of your payments are pure interest rather than paying down the principal debt.) Getting out of the debt pit isn’t easy, but it starts with committing not to dig the pit any deeper. This is a commitment you will likely need God’s help to keep.

**Let’s do the math.**

The total interest paid on a $5,000 Credit Card debt, if you have a minimum payment of $100 a month; at 18% interest a year, it will take you more than 7 years and you will pay over $4,000 in interest.

***Let’s do the math.***

The total interest paid on a $350,000 house mortgage at 5% interest on a 30-year loan would be approximately $325,000. You can easily do the math and figure out that it is better to pay debts sooner rather than later. Paying interest almost doubles the price of the home.

***NO NEW DEBT!***

* Let go of the desire to “Keep up with the Jones.” (They’re probably deep in debt keeping up with you!)
* Try spending only cash for a time; carry what you’re willing to spend and don’t buy something if you don’t have enough cash for it.

We humans care what other people think of us. It’s understandable to want others to think well of us, but it is more important to not be stressed about money. And why are people under financial stress? Because they want a luxury car, expensive clothes, exotic vacations, the latest phone, or other fancy items. Let go of the desire to “Keep up with the Jones.” (The reality is, they’re probably deep in debt keeping up with you!) If you can distinguish between what you merely want and what you actually need—then only buy something when you truly need it—you’ll find it a lot easier to live within your means and not incur new debt.

Another good way to avoid incurring new debt is to go to an all-cash basis for day-to-day expenditures for a while. If you commit to only spend the cash in your pocket for a time and only put in your pocket the amount your budget can afford, you will avoid overspending and retrain yourself regarding how much you can and can’t afford without exceeding your budget.

Deuteronomy 28:12, “The Lord will open to you His good treasure, the heavens, to give the rain to your land in its season, and to bless all the work of your hand. You shall lend to many nations, but you shall not borrow.”

God’s plan for His children is for them NOT to borrow money. But also listen to what verse 13 says, “And the Lord will make you the head and not the tail; you shall be above only, and not be beneath, if you heed the commandments of the Lord your God” (Deuteronomy 28:13).

What the Bible teaches is that when you borrow, you are beneath—you are the tail—and you are a slave. God wants for His followers to be the head and to be above only. Let’s pray that God will help us to accomplish His purposes for our lives, even in our financial lives.