

How Debt Entices, Entangles, and Strangles: Part 1

Entices – It allows you to buy when you really do not have the funds to do so.

Entangles – It causes you to pay more (interest) than the original price.

Strangles – It causes you to pay over longer and longer periods of time there-by using up more of your tomorrows finances for items used or things consumed today.

Examples:

Using a credit card (16.8%) interest rate for \$1000.00 worth of items:

1. Paying \$50 per month will pay off the debt in 24 months (2 years). It would take only 20 months without a credit card. Your total amount paid for \$1000 worth of items with a credit card = \$1200.00 including interest.
2. Paying \$40 per month on the same debt load of \$1000 will be paid off in 31 months (2 years and 7 months). It would take only 25 months without a credit card. Your total paid for \$1000 worth of items with a credit = \$1240.00 including interest.
3. Paying \$25 per month on the same debt load of \$1000 will be paid off in 58 months (4 years and 10 months). It would take you only 40 months without a credit card. Your total amount paid for \$1000 worth of items with a credit card = \$1450 including interest.

In all situations, you can see the effect of the debt trap. You will pay over a longer time period more than you original amount etc. used (\$1000.00) and compounded interest can add up fast. Possible late charges and card fees would be additional to the above costs. Remember to double check with yourself about the purchase is it a want or a need before purchasing. The bible tells us to “count the cost”.

Untangled and Unstrangled – How to Get Out of Debt:

Know that God is on your side. Know now is the time to begin. Set a course and hold fast.

“Stand fast therefore in the liberty by which Christ has made us free, and do not be entangled again with a yoke of bondage.” Galatians 5:1

Face your situation and take responsibility:

1. For your current status of debt.
2. To get yourself out of debt with God’s assistance.

Face your situation and repent (to change direction) for your debt.

Most debt is not caused by the enemy, but by the flesh.

“You ask and do not receive, because you ask amiss that you may spend it on your pleasures.” –James 4:3

Some debt is caused by emergencies and life style changes. However, overspending causes most debt. Repent for the debt caused by your overspending due to the following:

- A.) Conformity to the way the world thinks.
- B.) Covetousness
- C.) Impatience – Not waiting on God to perform is a form of pride.
- D.) Lack of trust – Trusting “MasterCard God” over Jehovah Jireh. (My God will Provide)

Repentance is a wonderful weapon of your warfare.

Do not delay. Repent now and ask for God’s forgiveness. Get God involved in the situation and He will deliver you.

“Therefore submit yourself to God. Resist the devil and he will flee from you” –James 4:7

Strategy to remove debt:

1. Pray and submit your debt to God.
2. Keep giving to the work of God.
3. Get your current spending under control.

Important things to do:

1. Do not create any additional new debt.
2. Destroy ALL credit cards except one with the lowest interest rate.

3. Spend only on needs not wants.
4. Firmly implement the “to buy or not to buy” decision process, Efficient spending.
5. Ready, Aim, Fire – Time to destroy debt:

First Step: Taking inventory, List ALL your debts:

List completely all that you owe, the total due and the monthly payment required. You now know your enemy. This is the target. Do not be afraid. God loves destroying giants. Do your part (David stepped out in faith with sling and stones) and know your God and He will do His part.

Example Only:

Name of Creditor	Amount Owed	Regular Payment	# Of payments left to make.	Interest Rate	Item Purchased
1. Card #1	\$60	\$10	6	19.8%	Misc.
2. Card #2	\$180	\$20	10	18.0%	Christmas
4. Store #2	\$310	\$40	9	19.0%	Clothes
3. Store #1	\$250	\$30	9	19.0%	Clothes
5. Card #3	\$500	\$50	11	16.8%	Vacation
6. Credit Line	\$700	\$50	16	12.5%	Car Repairs
Total	\$2000	\$200			

Total Monthly Payments \$ 200.00

Expected Pay-off-date- All Debts 16 months (if you pay your regular payment)

As David did with Goliath he faced him not alone. David knew whom his God was and that his enemy was going to meet His God. David did his part trusting God and picking up the stones. We need to do the same.

I will conclude here but in the second part of “How Debt Entices, Entangles, and Strangles” we will look at some more strategies we can use to defeat the enemy (debt).

God Bless,

P.S. Remember: “you are more than a conqueror through Jesus Christ.”

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How Debt Entices, Entangles, and Strangles: Part 2

“You prepare a table before me in the face of my enemies...” Psalm 23:5

Second Step: Communicate with your Debtors.

Make contact, by phone or letter, explaining your situation and your plan to repay them. This can be very helpful and may result in much favor.

Third Step: Calculate your monthly payment.

You will make this payment every month until all debt is removed. Step by step with the payoff of each bill, you will be able to eliminate more and more of your debt with the one big payment.

Fourth Step: Unentangled and Unstrangled strategy.

Eliminate the smallest outstanding unsecured debt first, and then the second small-est, then the third smallest, all unsecured debt is removed.

By maintaining the same total normal monthly payment of (\$200 per month as the example in the previous teaching.) and applying it on all outstanding debts and applying a significant portion of this to the smallest debt first, and then making only regular payments on the other outstanding balances, a person can eliminate many of the smallest debts / bills. By paying off a debt, even a small one - - - You remove it from your life **FOREVER!**

Once a debt is paid off, its voice is silenced. It no longer has any hold on you! It provides you with an accomplishment! It gives you confidence to achieve your larger goals!

Fifth Step: Important for success - - as debts are paid off; **do not decrease this monthly payment amount.** By disciplining yourself to continue these payments, more will be allocated to the remaining bills thus they are paid off quicker.

Sixth Step: As each debt is removed, it will give you more confidence. Once all credit card debts are paid, continue the one big monthly payment by applying more to your car and then your house.

Seventh Step: Praise Jesus as each debt is removed from your life!

Maintain your Champion's Attitude as you remove the debt.

1. Maintain your Strong Desire - - “Debt must be removed.” You must learn to hate debt and its negative effects.
2. Maintain your Faith - - God wants you out of debt and will work with you.
3. Maintain your Character - - Self-control, faithfulness, and patience will reap a harvest of debt destruction and Financial Victory.
4. Maintain your Endurance - - Endurance, for this is a marathon, not a sprint. Endurance and hard work will get the job done.
“For you have need of endurance, so that after you have done the will of God, you may receive the promise . . .” Hebrews 10:36
5. Maintain Right Fellowship - - Be around those who encourage you and believe you will be debt free.

Hold fast to the course you have set and get ready to maximize your financial harvest.

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I would love to hear your feedback.

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