



MONTHLY NEWSLETTER



Jean-Michel Etienne, Ph.D.



Be free of debts and enjoy financial peace!

Debt is the money you have borrowed from friends, family, organization, government, or anyone else and promised to repay them, then you are "indebted" to pay it back.

The economy is alarming from the COVID-19 pandemic, bringing with it supply chain issues and inflation that have stressed our wallets.

According to the latest Household Debt and Credit survey results from the Fed, Americans owe \$1.1 trillion in credit card debt as of the third quarter of 2023. That's a record high, up from \$1 trillion in the second quarter of 2023.

Although today debt seems to be part of the American economy and way of life, it should never be the norm for Christians.

The Bible says "NO" to debt. In the Scriptures, there are at least twenty-six references to debt; and all are negative. The Bible does not say that it is a sin to borrow money, but it does talk about the consequences of doing so.

Here are a few reasons why debt is growing in this country and some suggested solutions:

1. Consumptive lifestyle. Americans are spending at a rate never seen by previous generations. In a recent year our savings rate was a negative number. This means that families spent all their income and then other's money.

Suggested Solutions. You may stop purchasing non-essentials just because they are on sale. Also, start setting a limit on the amount you wish to spend is important, especially on major items such as clothing and furniture.

2. The ease to obtain credit.

The ease at which the average person can acquire credit today would amaze previous generations. Each year American families are bombarded by credit card applications. Not only is it easy to borrow money, but also many times a financial institution will offer loans up to 125% of the equity of your home.

Suggested solutions. If credit cards are a financial downfall, then the accounts should be closed and the cards destroyed. Purchasing a paper shredder would be a sure and safe investment. Not only would you be able to cut up those high interest checks, but also you would be assured that they would not fall into the hands of a financial thief.

3. Eating out

A common practice among both adults and teenagers is eating out. In a recent USDA's nationwide survey, it was reported that 70% of teenage males ate out on an average day and the percentage of household food moneys spent on meals eaten away from home

averaged 40% plus.

Studies have shown that eating out just one meal per day will double the money spent monthly on the food budget.

Suggested solutions. Save the treat of eating out for special occasions such as birthdays and romantic dates. Simplify your meals without losing nutritional quality and satiety. Start cooking your own meal. Your wallet and body will thank you.

4. Lack of family budget

People overspend for a variety of reasons, but the two primary reasons are 1) they do not have a financial plan or budget 2) if they do, it is flexible, and they do not follow it.

Suggested solutions. If you are having trouble with your money management, set up a family budgets. It can be as simple as totaling all your expenditures for two or three months and then averaging your monthly expenses. Next, compare your expenses to the spendable income you received for the same period. If your expenses are higher than your income, then you need financial first aid.

5. Unexpected bills.

There are three areas of spending that cause many families to get into financial trouble. These are 1. Motor vehicles: purchase, repair, and maintenance.

2. Medical expenses.

3. Household expenses.

Many times, it seems that when it comes to these three areas, it "not only rains, but it also pours!

On one day the car battery dies, the clothes dryer decides that hot is not its favorite cycle, and one of the children needs to go to the emergency clinic.

Suggested Solutions. To be prepared for dealing with these unexpected debts, develop an emergency account with a minimum of \$1,500. This is only the starting point for emergency savings. How do you develop an emergency account? Simply set aside \$25 or more per week or pay period, and let it grow until you have enough to cover those sudden financial "surprises."



"You bring a reproach upon the cause by locating in a place where you indulge for a time and then are obliged to run in debt for provision for your family. These are your honest debts you are not always particular to pay, but instead move to another place. This is defrauding your neighbor. The world has a right to expect strict integrity in those who profess to be Bible Christians"

E. G. White, Testimonies for the Church, vol. 5, p. 179

