

## **Borrow Less, Not More**

**It is always wise to borrow less rather than more. Cultivate the mindset that you will only borrow for absolute necessities and that you will repay the loan at the earliest possible date. Paying back a larger amount than the required fixed payment will help you retire the debt early.**

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What should you not be getting a loan for and what would be something worth borrowing for? In general, it all depends on your ability to repay the loan within a practical period of time.

While you could obtain credit to purchase an asset with reasonable potential to gain in value, you should not borrow for something that will continue to lose its value from the moment you buy it.

Another sensible cause for which to borrow money would be for something obtained that would bring you income opportunity. If you have a skill or a trade and purchasing a particular tool or machine would generate additional income for you, then credit might be a possibility to explore.

### **Debt: Experience the Waiting Game**

You don't have to have it all now. You can discipline yourself to delayed gratification. Don't get in the habit of buying something before you need it or because you think you might use it at some future date. Indulgence, because you feel that you owe it to yourself or it will help your self-esteem, is a very bad habit to get into.

You can develop habits that will insure financial success, regardless of how much or how little your income is. Many make very little over a lifetime, yet manage to save enough for a debt free and secure retirement.

### **Debt: Using a Credit Card**

Your current credit card debt represents more than just the fact that you owe money. It represents the fact that you are spending more money than you are making. It represents the fact that, depending on how much you owe, you could be out of touch

with your financial situation. It represents the fact that you need to attend to paying it off now—or it will likely get worse before it gets better.

### **Debt: Interest from Credit Builds Quickly**

If you are going to have a credit card, pay it off in full at the time of each statement. If you cannot do that, you have no business carrying a card with you. Pay cash instead.

Record every penny spent for the past 90 days and the next 90 days. If you don't know where the money went, how can you get out of debt? Close your eyes and visualize a stress-free, debt-free lifestyle. You are on vacation...but you have paid for it all in advance. It is not more income that you need, it is less spending.

“Live within, not above  
your income!”

Scripture says that the poor will always be with us, but it does not say that none of them will be Christians. If you've ever wondered, “I cannot understand why God has not made me rich yet,” we have no magic formulas but this one. Live within, not above, your income!

A friend of mine had purchased a couple of fine houses, but then sold them to pay off debts, only to get into debt all over again.

Please understand this. You will never win the lottery, so quit spending money on tickets. Quit spending money as if you were about to win the lottery. God's ways are not

“Cultivate the mindset that you will only borrow for absolute necessities.”

about windfall income like the lottery. His ways are about thriftiness, staying out of debt, working hard and serving Him. How does one get out of debt? Exactly the same way it was accumulated....one step at a time.

If you give a man a fish, you can feed him for a day. If you teach him to fish, you can feed him for life. The real help comes in changed attitudes that cause you to move from a lifestyle of debt to the freedom of being debt-free and becoming financially independent.

## **Debt: Manage It Now or Pay Later**

There are many warning signs of impending financial disaster. Take a look at these and ask yourself if they apply in your situation.

- Are this month's credit card balances higher than previous months?
- Have you never paid more than the minimum payment required on your credit lines or credit cards?
- Are you continuing to add new cards to your pocketbook?
- Are you always seeking new ways to borrow?
- Have you been feeling anxious about your debt burden?
- Does your spouse know about all of the credit you have obtained?