

Getting Out of Debt

One critically important part of a close walk with God is giving back to Him. It is a command and a calling to give to God who has given so much for us. John 3:16. But it is hard to give when the past due notices arrive and the phone rings with the friendly call of a creditor. Getting out of debt – and staying out of debt – is a high priority.

Money, or lack of money, combined with the pressures of debt, can destroy marriages, families and lives. Debt can be destructive, especially if you are on a limited budget. How can you reduce that pressure? Small payments on a big debt may feel futile; a bit like a waste of money and time. However, you are almost always better off making even a small payment rather than no payment at all. If you don't have an emergency fund or you are barely scraping by and can't even pay your current bills, then you may need to focus on those issues now. However, if you have any available funds, you should be paying off your debt. Here are a few ideas to start to get out of debt even with your limited budget.

Quit spending

Well duh! It does little good to pay off one debt or loan only to start another. That is hardly better than moving dirt from one hole to the next – and then back again. It is a lot of work for no gain. The exception to that is a low interest debt consolidation loan that allows you to pay off multiple debts or loans, at least some of which have a higher interest rate than the new loan. You can reduce your payments, reduce the burden of compound interest and perhaps reach the point where a plan seems feasible. Reducing your spending will leave more money to pay down those debts and reduce the stress on you and your family. See the ideas in several installments of articles in [Resources for You/Wise Stewardship](#), including [It Is Time To Start Saving](#) and [Ideas for Living Better Through Stewardship](#). If you need copies of past articles, call the office of The Idlewild Foundation at (813) 264-8713 or email us and we will be happy to send them to you. As you will see, even small reductions in expenses add up over a long year.

Start somewhere - with a payment plan

It takes a plan to begin the process of getting out of debt. Technically, this plan even comes before "Quit Spending" but certainly reducing your out-go is always a solid starting point. Start here: List your debts, the "minimum"



payments and the balances. Then add to that list the interest rate – that will become important quickly right away. Next, decide which to pay off first. Often the best choice is the highest interest creditor, often a credit card.

Next, know your income and fixed, unavoidable expenses. By this, you can figure out how much

you can afford to pay creditors each month. Once you know that, you can divide the pie, this is decide how much will go to each creditor. Paying off a high interest creditor is good, eliminating a small creditor is also good, it helps clear off one payment and frees up money for the next month.



If the valley you are in is really more of a canyon or a pit and the debt is unpayable, you can also try to negotiate a repayment plan with your lenders, which may help you reduce your payments, lower interest or an extension on payments. There are services that help with this but always be alert because there are many fraudulent “companies” seeking cash up front to solve your debt problems – then your problems become worse because they just take your money and some do nothing or next-to-nothing.

And see our other articles about saving, paying God first and paying yourself second in [Resources for You/Wise Stewardship](#). Having an emergency fund is like having a life vest when a ship sinks, a true life saver.

Make it automatic

Setting up automatic deductions or automatic payments from your checking account (this is easy with online banking) is a great way to gain assistance. If it is done automatically, it is much harder for you to find a way to avoid paying so you have extra spending money. Figure out the maximum amount you can pay creditors each month, and have that money paid automatically.

Don't go it alone

What help you reach out for and what you need is unique to your situation. You may need benevolent help from a church like Idlewild Baptist Church if you can't even pay the light bill or may lose your car. But don't just look for a hand out, seek counseling and advice. If you are unwilling to share and learn from someone like Pastor Rob Taylor, Stewardship Pastor of Idlewild Baptist Church, you can try the National Foundation for Credit Counseling as a secular alternative. If you want to get really serious, take Financial Peace University at Idlewild or any of a number of different locations and churches. That course is based upon a Christ-centered approach to money and finances. There can also get easily affordable advice on your current financial situation, advice on how to manage your money in a Godly fashion, and even help developing a plan for getting yourself out of debt and headed towards financial stability.

Having a limited budget shouldn't stop you from paying off your debt, but it can definitely make it more difficult. These thoughts can help. If you need more help, please call The Idlewild Foundation at (813) 264-8713.

